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Legislature of Ontario Debate

OFFICIAL REPORT OF
DEBATES

Tuesday, November 8, 1971



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Legislative Assembly

Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
LABOUR

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

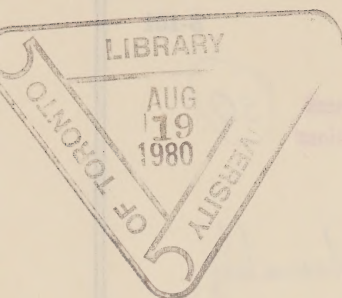
Tuesday, November 9, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

TUESDAY, NOVEMBER 9, 1976

The committee resumed at 8:17 p.m.

ESTIMATES, MINISTRY OF LABOUR (continued)

On vote 2204, labour services programme; item 2, occupational safety:

Mr. di Santo: Mr. Chairman, from what I gathered before we recessed, your pilot project has been fundamentally changed from the way it was set up initially and, in fact, you don't know how many complaints you had related to safety. I tried to find out if you had carried out any investigations and what was the content of the investigations, and apparently nobody in your ministry knows. Also, there was not one single charge laid, so at this point I understand you have a project in your ministry which is not serving the purpose of safety. Am I right in saying that?

Hon. B. Stephenson: No. It was intended in the original concept to provide the contact for safety matters which we felt were perhaps neglected as a result of language difficulties and the inability of the individual workers to identify the site which they might contact in order to have increased protection.

It has not been changed deliberately; it has changed as a result of the experience. It has changed itself, rather than having been changed.

Mr. di Santo: Yes, but do you know of any investigation carried out as a result of this project?

Hon. B. Stephenson: Yes, there have been investigations carried out.

Mr. di Santo: What kind of investigations? That's what I would like to know.

Hon. B. Stephenson: Investigations of safety complaints.

Mr. di Santo: Yes, what kind of complaints did you get? That's what I am trying to get at.

Hon. B. Stephenson: Oh, the specific kinds of complaints regarding safety?

Mr. di Santo: Yes, in what area? As one of your staff people said before, apparently there were not too many phone calls related to safety because some of the employers told the employees, the workers, "Why do you have to phone? Why don't you tell us and we will remedy it?"

Hon. B. Stephenson: Initially, there were some complaints—it was something in the order of about four per cent of the complaints, as I recall them—that were related to safety, and when those complaints were received, the complaints were investigated. But the majority of calls were not about safety at all.

Mr. di Santo: How much does the project cost?

Hon. B. Stephenson: The cost, I think, is minimal. It's one Italian-speaking—

Mr. Hushion: Well, she's a member of our regular staff.

Mr. di Santo: But I mean the total project—the media advertising campaign, everything. How much are you spending for this?

Hon. B. Stephenson: Mr. Trelford, how much was the media campaign?

Mr. di Santo: Everything. I meant the whole project. I would like to know how much it cost.

Mr. Trelford: May I speak to that? The whole project was not just the hot line. The whole project really was to let the Italian construction worker know, in his own language, what his rights and responsibilities were under the Act. You will remember that the campaign itself was not necessarily to do with the hot line, but was a campaign that outlined what was expected of the worker and what was expected of the contractor under the Act.

If that's what you are talking about, yes, we did have a media campaign that in-

cluded newspapers, magazines, radio and TV to the extent of \$125,000, except it won't quite hit that. I am not sure of the exact figure at this point, but that was the total budgeted figure, which we did not necessarily spend.

It was our intent to let the Italian construction worker know what the Act said. It was not necessarily designed merely to give them a telephone number to respond to; that was only a small part of it. Does that answer your question?

Mr. di Santo: Yes. And may I ask the name of the agency through which you placed your advertising?

Mr. Trelford: It was Foster Advertising.

Mr. di Santo: Can you also tell me the name of the agency which placed the ads in the Italian media?

Mr. Trelford: It was through Foster. Everything was done through Foster Advertising.

Mr. di Santo: Was Mr. Kowalski your agent?

Mr. Trelford: We had no contact with Mr. Kowalski.

Mr. di Santo: Yes, but was he an agent for Foster or any other agencies which were involved in the project?

Mr. Trelford: I understand Mr. Kowalski is not an agent for Foster Advertising.

Mr. di Santo: Was he involved at any stage?

Mr. Trelford: To our knowledge, no.

Hon. B. Stephenson: No.

Mr. Trelford: My dealings were completely with Foster Advertising.

Mr. di Santo: Okay. Thank you.

Mr. Trelford: You're welcome.

Mr. di Santo: From the evidence that we have now, we know that actually there have been some complaints through this project, although the project mostly served other purposes. If I am correct, the workers—in this case, the Italian workers—were complaining or asking for information, I suppose, because they didn't have enough services in other areas from your government. Am I correct in this?

Hon. B. Stephenson: Our concern was to make the Italian construction workers aware

of the legislation which is presently in existence to protect them in the work place.

Mr. di Santo: But they didn't respond to your appeal. In fact, they were phoning for every other kind of reason but the reasons related to safety.

Hon. B. Stephenson: As I said, if you're talking about the hot line itself, the primary reason for phone calls was the unemployment insurance system which is not provincial, I would remind you; it's federal.

Mr. di Santo: Yes, but wasn't the hot line part of the total project?

Hon. B. Stephenson: Yes, it was a part of the total project.

Mr. di Santo: What I mean is that the total project failed under the terms of reference—

Hon. B. Stephenson: I don't think so.

Mr. Hushion: May I comment, Madam Minister? As I mentioned to you before we broke, sir, the programme really formed part of a longer-term plan that actually was in the process of development within the ministry prior to December 1974. We were looking at the programmes of the ministry, particularly relating to occupational safety and employment standards, recognizing that these programmes impact on a broad range of groups and that we knew we were having problems communicating to many segments of our population.

What we decided to do at that particular point was to experiment with a pilot project, focusing on one particular area, safety; one industry construction; and one particular group, Italian workers in construction, with a view to trying to define the kinds of approaches which are effective in reaching that particular group and hoping to learn some lessons which we could apply to other groups in other areas of the ministry's work. The hot-line approach was just one aspect of a fairly broadly based programme.

As you know, we had a programme worked out with the Labourers' union, local 183. We developed an audio-visual presentation on safety. We worked this programme out with the assistance of the Construction Safety Association of Ontario in an effort to try to bring about an increased awareness, not only of our safety legislation but of safety practices as well, in construction workers. Certainly, the feedback that we have had from

that programme is that it was extremely well received.

We have developed a programme in the media. We have been working in close consultation with COSTI. We conducted an evaluation study of the hiring hall experiment. As I mentioned to you, the plan is to really extend the programme to other groups and to other aspects of the ministry's work, because the programme to this point has really been quite successful.

Mr. di Santo: May I ask two more questions before making my remarks? First, is it true that the confidentiality of the hot line was somehow watered down in the process, because I have evidence that the ad itself was changed? And, second, wasn't it announced that the Ministry of Labour at some time would set up a kind of an advisory body—I don't remember whether it was to be a committee, a board or a council—to act specifically in this area? What happened there?

Mr. Hushion: I think what you are probably referring to—it may have been mentioned last year—is the concept of the worker adviser, and that concept has been curtailed to some extent because of budget restrictions—

Mr. di Santo: Wasn't it a voluntary body?

Hon. B. Stephenson: The advisory committee is.

Mr. Hushion: The advisory committee on the Italian project? Yes, it was. The committee has been restructured to some extent essentially to allow us to move into other areas to begin to apply to other groups some of the benefits that we feel have been derived from this particular programme.

We now have a steering committee. There is another sort of fairly loosely knit sort of advisory committee of respected individuals in the Italian community which really isn't formally structured as a committee but which we can relate to on an informal basis; they, in turn, can relate to us on an informal basis, as they see fit, as to their views about the effectiveness of our programme. But what we had hoped to accomplish over a period of time was a series of committees that would reflect different interest groups in our society that could advise us just how effective our programmes are in reaching their particular groups.

[8:30]

Mr. di Santo: Okay. I won't keep asking questions, because of course we go nowhere,

but I would like to stress at this point that from what the minister and her assistants have said, we have a programme which has been geared mostly to I suppose educating in the best of the hypothesis the Italian workers in the construction industry who don't understand all the process and their duties, I suppose. There has been no attempt whatsoever to try to clarify what is the responsibility of the employer.

I don't want to repeat what the member for St. George (Mrs. Campbell) said so effectively the other night, that all of those programmes are directed to the workers, but this is actually the basic philosophy of your ministry that whatever happens in the construction industry it is the worker's fault, and that's regrettable. Today a worker fell down from the 20th floor and died, and I think we should at some point start considering seriously whether there is also a responsibility on the part of the employers. I understand that it is much easier to tell the workers, "Watch out" and "Wear your hard hat," but it is not always his fault if the worker dies on the work site. I think you should really change the philosophy of your approach, because in every ad that I have ever seen in the newspapers or on television you are always telling the workers, "Watch out, because if anything happens to you, it is your fault." I think you have to change that.

As a matter of fact, last May I asked a question in relation to the death of Dominic Goreri. There was at that time a decision of the coroner's jury, and I asked you what the circumstances were and why did it take so much time to have an investigation into the death of this worker and why his widow was paid only after seven or eight months—I don't remember exactly—and you said: "The recommendations of the coroner's court were examined carefully by the various branches of the Ministry of Labour and did require some time for particular response."

Then I asked you whether you could investigate why one of your inspectors, Mr. Joseph Yorke, had made some remarks on the attitude of the ministry related to the kind of investigations that they were carrying out in relation to the financial situation of the companies, and whether there were two ways of applying the law, one for the rich companies and one for the poor companies. You said, and I quote: "That statement is entirely erroneous in its content but I shall attempt to find out whether it was made and why it was made."

Then on August 30 you wrote me a letter saying: "In response to that question, I would advise you that at no time was Mr. Yorke talking about the manner in which the occupational safety branch applies the existing legislation when prosecutions are under review. There is absolutely no double standard used by the ministry when any prosecution for a contravention of the Act is being considered. I might add that a prosecution is only one means available to this ministry to achieve the objective of our construction safety programme." You went on to say that you were also concerned about the length of time that the Workmen's Compensation Board took to compensate the widow.

I thought something was wrong in this case, so I asked for a copy of the coroner's jury verdict. They made a series of recommendations, most of which are directed, not to the workers but to the employers. In one recommendation, the jury says:

"During the testimony, Mr. Yorke, who was acting assistant director of the construction safety branch until recently, indicated: 'If a company is at survival level, then one punishes because motivation is dollars.' 'If a company is at a self-fulfilment level, highly successful, it is not susceptible to threats or fines and we would not' [this sentence was left unfinished]. 'One must look at the political climate.' [There was no clarification provided on this statement.]

"In view of the comments, we feel the chief coroner should request the Ministry of Labour to advise whether there is a double standard of enforcement; that is, one method of dealing with enforcing regulations for companies at survival level and another for dealing with highly successful companies."

My point is, I don't expect you to admit that prosecutions and fines are related to what your inspector called the political climate or to the financial situation of the companies, but that certainly disturbs me. If one of your officers makes those statements during testimony in front of a coroner's jury, then something must be really wrong in the way you carry out your inspections, in the way you lay your charges, or in the way you prosecute the companies that are found in default of The Construction Safety Act. I would like to hear your comments on this, because I think this is a serious matter.

Hon. B. Stephenson: Mr. Chairman, I will say again, without equivocation, there is no double standard. I really do not know what stresses or strains persuaded Mr. Yorke to answer in what I would consider such an

irresponsible manner. His responses bear no relationship to the facts, nor to the truth, about the way in which the ministry deals with problems in the construction industry or in any other industry. It does not matter what the financial status of the company is. What matters is the action of the company in response to directions. And if they have not complied with directions, the treatment is going to be exactly the same.

Mr. Yorke, I gather, was under some kind of duress at the time he made the statement—and I really do not know why he said them—but that is not true.

Mr. di Santo: Was he under oath when he made that statement, Madam Minister?

Hon. B. Stephenson: It was a coroner's inquest. He was under oath.

Mr. di Santo: Are you really saying that one of your top officers in this branch goes in front of the coroner and makes such a grave statement under oath only because he was under stress?

Hon. B. Stephenson: That is one of the reasons that I can consider it reasonable in terms of the kinds of responses that he made.

Mr. di Santos: I hope you realize that what you are saying is extremely serious?

Hon. B. Stephenson: Yes, it is serious. It was serious and it remains serious.

Mr. di Santo: Because the implication is, how can this Legislature trust the officers of your ministry whenever they make any statement whatsoever, especially when they are under oath?

Hon. B. Stephenson: It is one individual—

Mr. Lupusella: But he is your responsibility.

Hon. B. Stephenson: Yes.

Mr. Lupusella: So are you going to look after this particular problem in order that in future no cases like this are going to take place, or are you going to allow this wrong procedure by persons employed by your ministry without taking any action?

Mr. Chairman: Have you completed your remarks, Mr. di Santo?

Mr. di Santo: No, I have not. I am waiting for a response, because this is a most serious matter and I don't think it should be passed just with an evasive answer.

Hon. B. Stephenson: I can assure you, Mr. di Santo, my answer was not evasive. It was direct and it was exactly what I meant.

Mr. di Santo: Yes, but I want to know from you, because you are the chief administrator in your department, from now on, when one of your officers makes a statement, do we have to believe them or not?

Mr. Hushion: If I could just say one word, I think we should put his comments in perspective, because with all due respect I think they have been somewhat distorted. When we read the coroner's inquest, when we first came into contact with what you've just read, we were very much concerned inside the ministry as well. We talked to Joe Yorke and he was really talking at quite a different level of abstraction. I'm not going to apologize for what was said, but I think what Mr. Yorke—

Mr. Lupusella: You should apologize. I'm sorry.

Interjections.

Hon. B. Stephenson: Could we continue?

Mr. Chairman: Mr. Lupusella, we've got a list of speakers—

Interjections.

Mr. Chairman: Order, please! We have a list of speakers and you are the last one on the list. You will just have to wait for your turn.

Mr. Laughren: Why are you so arbitrary all of a sudden? You didn't get upset when others interjected.

Interjections.

Mr. Chairman: Order, please. I have a list of speakers, which I will read now. We have Mr. di Santo, Mr. Mancini, Mr. Johnson, Mr. Gaunt, Mr. Miller, Mr. Davison, Mr. Wildman, Mr. Callaghan, and Mr. Lupusella.

Mr. Lupusella: Mr. Chairman, I would like to raise a point of order.

Mr. Chairman: State your point of order.

Mr. Lupusella: The reason why I am so—

Mr. Williams: I asked first for a point of order.

Mr. Chairman: I have one point of order, yours will come next.

Mr. Lupusella: The reason why the matter is so serious, Mr. Chairman, is because the Minister of Labour, in the Legislature, is

allowing such statements by people employed by the ministry, so in the House there is misleading information. When we are asking for information in the Legislature, the Minister of Labour is following such procedure and such a statement which has been made by people employed by her.

Hon. B. Stephenson: Mr. Chairman, if I may, in response to that, what I said in the Legislature was that I would investigate, that we examined the coroner's report, that we did, in fact, try to investigate what had been said and why it had been said, and that when I had the details I would report to the member who asked the question, and that is precisely what I did.

Mr. Lupusella: Do you agree with me then, Madam Minister, that you are going to state your points in the Legislature when a member is raising a question, in view of statements made by people employed by your own ministry?

Hon. B. Stephenson: I'm sorry, I don't understand what you are saying.

[8:45]

Mr. Lupusella: What I'm trying to say is that when you are going to find out certain statements made out by employees of your ministry, when there is an investigation carried out, you are going to follow such investigation and you give us a report in that particular case.

Hon. B. Stephenson: That's exactly what I did.

Mr. Shore: You're showboating on a serious matter.

Mr. Lupusella: It is a serious matter.

Interjections.

Mr. Williams: On a point of order, I think a staff member was making a comment and was rudely interrupted by the members. I think we owe him the courtesy of hearing the gentleman out without interrupting, regardless of the attitudes of all the members.

Mr. Hushion: I agree it is a serious matter, and we took it very seriously. I can assure you, as the minister has assured you, and I think this is the point, there is no double standard. What Mr. Yorke was talking about was the impact of fines on particular types of employers and he was talking about it on a very philosophical level. What he was suggesting was that for some employers, who are extremely successful and who are large

and highly profitable, fines don't really have that much of an impact.

What we've been trying to do with this particular programme, and I think the minister covered this point earlier, is that we have a bag of tools that we're working with in trying to make employers as well as workers aware of the legislation.

Mr. di Santo: When?

Hon. B. Stephenson: Constantly.

Mr. di Santo: In what instance? One single case?

Mr. Hushion: If I could just continue—and I'll be very brief—while a fine may be a sufficient deterrent in some particular instances where you have a marginal employer, it probably has relatively little significance for an employer who may have very substantial operations.

Mr. Mancini: Raise the fine.

Mr. Hushion: What I'm saying is that in terms of applying the legislation there is no double standard, and where we find contraventions of the legislation, whether by a large employer or a small employer, a rich employer or a poor employer, the law is applied evenly, as I said not only through our enforcement process, but through the work that we do in concert with the various safety associations and the consultation programmes that we carry on with employers in trying to make them increasingly aware of their responsibilities under the legislation. Where we have run into particular problem areas, we increase the surveillance of those employers. The programme in construction safety is consistent with that in industrial safety. There is no double standard and I can assure you of that.

Mr. di Santo: I appreciate your remarks, but unless the minister makes very clear what she has in mind, at this point I don't really know if I can trust you or not. Because I can take your words in the same way that the minister is taking Mr. Yorke's words, and Mr. Yorke was a top officer in the Ministry of Labour.

Mr. Hushion: Mr. Yorke is—

Mr. di Santo: Assistant director of construction safety. He was not just doing clerical work there.

Mr. Hushion: As far as the application of the legislation is concerned, Mr. Yorke knows and has said to the director of the branch, to

myself, to the minister, that he agrees himself that there is no double standard in the application of the legislation.

Mr. di Santo: Are you really saying that the quotes that I read out are not true?

Mr. Shore: Oh, they're interpretive, that's what he's saying.

Mr. Chairman: Order, please.

Mr. di Santo: I think it really doesn't matter what side you are on, because you are always wrong.

Interjections.

Mr. di Santo: I read some quotes, Madam Minister, by one of your top officers at the inquest, and I'd like you to tell us what you think of them. I can appreciate the interpretation of your assistant, but what do you really think? Do you really think your officers just can go in front of a jury and lie?

Hon. B. Stephenson: I don't believe, Mr. di Santo, that indeed Mr. Yorke was lying. I think what he was doing was presenting a statement about the effect that certain measures such as fines would have on different kinds of companies. What I am trying to tell you is that indeed he was making a statement of this sort, but it really is not to be interpreted in the way in which you have interpreted it.

Mr. di Santo: Okay, thank you. Then can you please explain to me—and I think that it's a legitimate curiosity—when your Mr. Yorke says, "One must look at the political climate," how can you reconcile that—

Hon. B. Stephenson: I'm sorry, I do not know what he meant by that statement.

Mr. di Santo: I do know.

Hon. B. Stephenson: I have no idea, because indeed there is no political climate in dealing with matters under The Industrial Safety Act or The Construction Safety Act, none.

Mr. di Santo: Okay, how can you then reconcile his statement with your answer in the Legislature on May 11, Hansard No. 55, where you said, "Mr. Speaker, of course the statement is entirely erroneous in its content."

Hon. B. Stephenson: In your interpretation of that—

Mr. di Santo: That isn't what you said.

Hon. B. Stephenson: Then if I misled you I apologize again abjectly, Mr. di Santo. I did not intend to mislead you. But in the content and in the context of applying a double standard under either The Construction Safety Act or The Industrial Safety Act, it is erroneous. There is no double standard.

Mr. di Santo: I appreciate that, even though I gather something different from the answer. What I really want to get from you is that—and it applies also to the Workmen's Compensation Board—when we have small companies you make double assessments. When you have big companies, such as Cadillac Construction, \$1,000 is nothing for them. What you are doing really as a ministry—not you personally, because this is a long tradition, unfortunately, ever since we have been the government of this province—is that you are trying to get to the people of Ontario the idea that whatever happens at the work place is the workers' fault.

Hon. B. Stephenson: That is entirely erroneous as well, if I may say so, Mr. di Santo, because indeed we believe very strongly that there is a triple responsibility in the work place—a responsibility of the employer, a responsibility of the employee and a responsibility of government—and we're working very diligently to try to ensure that all three parties in that partnership discharge their responsibilities effectively.

Mr. di Santo: This is a concept that even Claude Bennett now understands, I know that. Theoretically, that's something that we can agree with, but practically I would like to challenge you to tell me of one single instance when you have addressed yourself to the employers through the media, to tell them, "Be careful with the workers."

Hon. B. Stephenson: I have done it—the date I think was December 31, 1975—in a television programme which I did for CBC. I have done it on a number of public occasions as well, and I can tell you that it's done daily as a result of the kinds of programmes which the ministry carries out.

Mr. Laughren: Have you seen the TV ads?

Mr. di Santo: I said media.

Hon. B. Stephenson: The TV ads are produced by the Construction Safety Association with the co-operation of the Workmen's Compensation Board. That is not the Ministry of Labour.

Mr. Laughren: What do you think of them?

Hon. B. Stephenson: They are directed in one direction and that unidirectional problem is one that I think has to be resolved.

An hon. member: That's for sure.

Mr. di Santo: Okay, I think this is really a futile exercise, but do you think that the actual fines are really a deterrent for the employers?

Hon. B. Stephenson: I think the increasing size of the fines in the last two years has become a deterrent.

Mr. di Santo: Like \$4,000?

Hon. B. Stephenson: There have been some larger than that I believe, such as \$7,500. As I am sure you are aware, the ministry does not levy the fine nor does it decide what the fine should be.

Mr. di Santo: I know, but you are the one who introduces the amendments to The Construction Safety Act and actually you set the maximum level of the fines. Isn't that true?

Hon. B. Stephenson: The maximum level has been set before, yes.

Mr. di Santo: So it is your responsibility because you really are the one who says that the fines should go up to \$7,500 or \$8,000 or \$10,000. That is what I mean. Anyway, may I ask you a final question? Of all the recommendations that the jury made to you—and you said that you have been looking at them, that's what I gather from your letter—can you tell me factually what you did in order to enforce those recommendations? For example, the jury says in one instance:

"Each company with 20 or more employees should be required to hold sufficient safety meetings to permit each employee to attend a meeting once a week for at least one hour. The meetings should be held on the company time with the employee receiving his normal rate of pay. Minutes of the meetings should be kept for regular inspection by the inspectors of the construction safety branch of the Ministry of Labour."

This is not a bunch of socialists who are suggesting this kind of recommendation. Did you do anything about it?

Hon. B. Stephenson: Yes, this was a part of our deliberations in the development of the legislation which we brought forward on October 26.

Mr. di Santo: The construction safety problem?

Hon. B. Stephenson: The minister's responsibility to establish, where necessary, as a result of the accident record and the safety record of the company, a health and safety committee which would meet regularly.

Mr. di Santo: Are you saying that you are dealing specifically with this set of recommendations?

Hon. B. Stephenson: No, not specifically with that set of recommendations alone; in the context of the overall picture of occupational health and safety.

Mr. di Santo: Could you tell us which of these recommendations you thought were relevant in the construction industry?

Hon. B. Stephenson: The recommendations which—

Mr. di Santo: Made by the jury in this specific case.

Hon. B. Stephenson: The suggestion about safety committees is one which we have taken seriously into consideration, which you are aware of, because, indeed, we have introduced that concept in the legislation.

Mr. di Santo: The Leader of the Opposition has been fighting for ages for that. Of course, I am aware of that, but I mean which of the other recommendations?

Hon. B. Stephenson: I don't remember all of the other recommendations because I don't have that document with me, unfortunately, at the moment. Would you like me to look at it right now? As a matter of fact, it would probably be wiser, Mr. di Santo, if I brought tomorrow, and tabled for this committee, the letter of response which we sent to the coroner's office as a result of our deliberations regarding these recommendations.

Mr. di Santo: Okay, thank you.

Hon. B. Stephenson: Each recommendation was dealt with in the letter that was sent to the coroner.

Mr. Chairman: I would just like to remind the members that we do have an agreement that this vote will be completed by 10:30 p.m.

Mr. Mancini: First of all, I would like to say, just carrying on where Mr. di Santo left off, I am not very familiar with this particular situation. I have to agree with what he said about the matter being very serious. I was wondering if this civil servant

who made these statements under oath, which the ministry officials and the minister now feel can be interpreted in a different way, is still employed by the ministry.

[9:00]

Hon. B. Stephenson: Yes, he is.

Mr. Laughren: Everybody's entitled to a mistake.

Mr. Grande: To make mistakes is human.

Mr. Mancini: I was wondering, under a similar situation and under another coroner's inquest, would you send the same man?

Hon. B. Stephenson: If he were responsible for investigating the accident, yes, he would be required to attend.

Interjections.

Mr. Mancini: You know, we just heard in the Legislature today of employers taking action against employees for certain things—for not working on the day of protest, perhaps, or for absenteeism and that type of thing. If an employee had been questioned by the employer about missing tools or that type of thing, and it was found that what the employee had said could be interpreted into almost exactly the opposite thing, I would have to believe that the employer would reprimand that employee. I was wondering whether you, as minister, or any of your senior officials reprimanded this employee of your ministry.

Hon. B. Stephenson: Yes, indeed.

Mr. Mancini: Good. Carrying on to a different subject, I notice in the 1976-77 estimates there is a drop in the amount of money spent, and while we realize you're in a period of austerity here, I'm wondering if you really believe that it's in the best interests of everyone involved to cut funds in this particular part of the ministry. I also would like to know how you cut these funds, because I have to assume that everyone's salary was increased and that the cost of materials and so on has increased. The cut is somewhere in the neighbourhood of \$300,000, if I'm not wrong, and I was wondering whether you cut down on your staff of inspectors or on the amount of time they spend on visiting work places. How did this come about?

Hon. B. Stephenson: I think it's primarily in the area of support staff. The number of inspectors has not been decreased and the inspections, I think, are being carried out

more efficiently as a result of the development of the cyclical inspection programme. I think we're just functioning more efficiently than we were.

Mr. Mancini: I think this question has been asked before, but I don't think I quite—

Hon. B. Stephenson: Could I add one small thing? A large portion of the amount that you saw there was as a result of the deletion of summer students, who were included in last year's budget and are not in these estimates.

Mr. Grande: Do they still call two or three days in advance that they're going to visit the work place?

Mr. Mancini: Please, don't try to steal my thunder here.

Hon. B. Stephenson: Perhaps you should go out to the work place once in a while to see what does happen when an inspection is carried out.

Some hon. members: Oh, oh.

Mr. Grande: I do.

Mr. Laughren: You shouldn't be provocative.

Hon. B. Stephenson: I'll wear my "WBP" button.

Mr. Kerrio: With an open mind, that is, go to the work place.

Mr. Mancini: If I can continue—

Mr. Chairman: Mr. Mancini?

Interjections.

Mr. Chairman: Order.

Mr. Mancini: I was wondering, can you tell me how many inspectors you have here in Metro Toronto who visit the work place?

Hon. B. Stephenson: In which area? Industrial safety or construction safety?

Mr. Mancini: Construction safety.

Mr. Cleverdon: In construction safety there are four inspection teams, totalling 36 officers and team managers, who work Toronto and the surrounds. They do Peel county, York region and Durham as well.

Mr. Mancini: How many sites or work places do you think they would see in a day, a week, a month or however you calculate it?

Mr. Cleverdon: This varies a great deal. There are between 7,000 and 10,000 projects under current inspection at any one time in the province, and the inspectors are making in the order of 600 inspections per year per man.

Mr. Mancini: No. Don't tell it to me that way. Tell it to me in the way of sites. If there are 7,000 jobs going on at once, are there 7,000 sites?

Mr. Cleverdon: Yes.

Mr. Mancini: Okay. How many sites do your employees visit per week, per month or however you calculate it?

Mr. Cleverdon: It varies a great deal with the workload of the man.

Mr. Mancini: Tell me how much and what's the variation?

Mr. Cleverdon: As many as 110 a month in some cases, and as few as 30. That's about the spread.

Mr. Mancini: And you have 36?

Mr. Cleverdon: It depends upon the size of the project.

Mr. Mancini: I see. Now, when your people visit these sites, do they have a general overall picture or map of what construction is going on in the province and they decide on certain areas they're going to visit? Or do they go and visit after an accident or do they just, in due course, decide they'll see all the work sites in a particular area today and maybe in another particular area on a different day? Is that how they operate? Can you tell me how they do it?

Mr. Cleverdon: It's none of those at all really. I'll explain it to you. First of all, the term "project" is defined in the Act, and it covers any construction activity. Even putting a knob on a door would be a construction project, but projects like that obviously are not inspected; they're of short duration, occupying one man.

If they are notifiable—and there are eight criteria for that set down in section 5 of the regulations—then in almost every case we are notified by the constructor before he commences. We assign a project number to the project and give a copy of the notification form to the inspector who will be given that project to inspect. That initiates the inspection call. Then he'll start going to that site regularly until they actually start to work on the project.

Once they begin, he'll make regular inspections; and he must assess how often to go, depending upon who the contractor is, prior experience, degree of danger and so on. For example, on tunnelling it's normally once a week, while on highrise apartments it's about every two to three weeks and on small housing once a month may be quite sufficient. It will vary with that kind of thing.

Mr. Mancini: Are there any sites that go unchecked at all in the 7,000 a year that we have here in the province?

Mr. Cleverdon: We've been short-staffed in Sudbury for the last year, and there are some that don't get seen there at all. But, by and large, we know the contractors and can trust them. They may be seen at the beginning and perhaps once every six months thereafter.

Mr. Mancini: Out of these 7,000 sites, how many would you figure are not inspected by your people?

Mr. Cleverdon: In our last survey we were told that all are inspected in Ottawa and Kingston, all but five per cent in the central region bordering on Toronto and about 25 per cent are not being seen in Sudbury and Thunder Bay for a lack of staff. We have the staff hired now, but they only came on a short while ago.

Mr. Laughren: A point of order, Mr. Chairman, if I might.

Mr. Chairman: State your point of order.

Mr. Laughren: Mr. Cleverdon, did you say that you were short-staffed in Sudbury because you trusted the contractors? Did I hear you wrongly?

Mr. Mancini: That's not a point of order.

Mr. Laughren: Sure it is.

Mr. Mancini: I'm trying to work up a train of thought—

Interjections.

Mr. Laughren: The reason I asked is that I didn't want to misinterpret what was said.

Mr. Chairman: Go ahead, Mr. Mancini.

Mr. Laughren: Mr. Chairman, surely there's nothing wrong with that as a point of order. I wanted to hear the gentleman's point of view.

Mr. Mancini: I'll ask him.

Mr. Cleverdon: Shall I answer the question?

Mr. Mancini: Sure, go ahead.

Mr. Cleverdon: Obviously, if you are short-staffed you have to decide how to utilize your resources most efficiently. You can either do all of the contractors less frequently or you can spend more time with the known bad actors and less time with the ones who normally do run a good, safe job. We've given our staff a fair amount of discretion to make that decision; when I say our staff, I mean our managerial people in the field. In the case of Sudbury, the manager there knows the local contractors quite well—and I'm convinced he does know them—and he's told us: "I know you can trust A, B and C, so don't go very often, but don't let D, E and F go very long or they'll be in trouble for sure." So he uses that kind of an assessment of it. If he had a full staff, he wouldn't have to do that.

Hon. B. Stephenson: Is the staff full now?

Mr. Cleverdon: The last man missing up there either started last Monday or starts next Monday.

Mr. Chairman: Mr. Mancini?

Mr. Mancini: Thank you, Mr. Chairman. You were mentioning that in Sudbury about 25 per cent of the construction job sites were not inspected. Was that what you said?

Mr. Cleverdon: Yes, I did.

Mr. Mancini: About 25 per cent? Would you know the percentage in Windsor and in Essex county?

Mr. Cleverdon: I must now defer to my colleague, Mr. Hendrickson, who's in charge of that area.

Mr. Mancini: I'm very curious about that.

Mr. Hendrickson: Offhand, I can't answer that question. But I can find out for you.

Mr. Mancini: Also, you are telling me that you are hiring your last man and that will fill all the vacancies—

Hon. B. Stephenson: In Sudbury.

Mr. Mancini: Oh, I see. Just in Sudbury. So then we will get rid of this 25 per cent of job sites which aren't being checked and we'll be able to check all of them? Is that what you are saying?

Mr. Cleverdon: I would like to think so, yes.

Mr. Mancini: I'm sure you are familiar with a brief presented to you quite some time ago by the Heavy Construction Association of Windsor, which includes people in Essex county. This brief has also been made known to the minister. Basically, the intention of this brief—and I will state it under the heading of "Real Problem." It says:

"In essence, the real problem here is that a reasonable, concerned and prudent contractor is unable to protect the lives of the men in the situation described above. He is unable to protect his men, we submit, because there is nothing in The Construction Safety Act requiring utilities to positively locate their services."

Basically, what they are telling us here is that construction companies, small and large, are calling upon public utilities to stake out gas lines and other types of things, and because these utilities are not responsible if anything happens, the staking out of these lines is not done in possibly the most efficient manner. It has been proven that there have been quite a few deaths and quite a few electrocutions. Even in my home town of Amherstburg we came very close to losing three people.

We can understand that it would probably take some time for you and the minister to decide whether this brief is appropriate, but I think you have had a couple of years on it and we were wondering if you are going to implement the brief. If you are not going to implement the brief, you might just as well tell us and tell us the reasons, so we don't have to keep bringing this up and we won't expect anything to be done.

Hon. B. Stephenson: Indeed, there has been conversation with the public utilities about their responsibility in this area. It is a responsibility which they must assume. As a matter of fact, I am not sure that we have any legislative capability to make the utilities mark out the specific areas, but this question has been raised with them, it has been raised with the PMLC and it has been raised with the Public Utilities Association of Ontario, because it is a problem.

Mr. Mancini: I'm not sure if I understand correctly, but I am sure you will correct me if I am wrong. You are trying to tell me that the Ontario government and you, as the Minister of Labour, do not have the authority to make utilities stake out their lines in a proper and reasonable fashion and to have them be responsible when they do not do this. Is that what you are telling us?

Hon. B. Stephenson: It is my understanding that the legislative responsibility lies with the municipalities involved.

Mr. Mancini: Municipalities at one time had the right to have school boards and that type of thing, but the province took that right away and went on to initiate county school boards. I am sure this government has done other things along that same line. Is what we are being told that you are not going to—

Hon. B. Stephenson: No. I didn't say that we were not going to—

Mr. Mancini: What did you tell me?

Hon. B. Stephenson: I said we have been trying the methods of discussion, moral suasion, etc., apparently without very much success. But, as you know, we are in the process of developing an omnibus health and safety Act, and that is a part of the consideration, because we have not been able to achieve it in the area in which it should have been achieved.

Mr. Mancini: Are you telling me that we can expect to see this type of legislation in your health and safety Act, notwithstanding what you just told me, that the Ontario government does not have the authority?

Hon. B. Stephenson: At the moment, the Ministry of Labour does not have the legislative capability to do it.

Mr. Mancini: Has the Minister of Labour asked the cabinet for this legislative ability?

Mr. Laughren: They have had 33 years to do it.

[9:15]

Hon. B. Stephenson: Yes, the Minister of Labour has raised this with cabinet in order to try and find out whether we could persuade the municipalities to assume the responsibility that they should assume.

Mr. Mancini: I think you are wrong there. I think you are putting the onus on the municipalities.

Hon. B. Stephenson: That's where the onus lies. That's precisely where the onus lies at the moment. The municipalities have not seen fit to assume the responsibility. Since they have not seen fit to do so we may have to resort to other action.

Mr. Mancini: I really have to object with the minister here. I happened to be elected to a small township council. We had about 6,000 people in our municipality and I served

for three years, and for you to consider that these small municipalities in rural Ontario are going to start telling Union Gas and all of these other companies what to do, I really think that you are on the wrong track.

Mr. Shore: I thought you believed in local autonomy.

Mr. Mancini: Excuse me, as far as local autonomy goes we believe in local autonomy, sure, but there are many occasions when the local officials certainly do not have the jurisdiction or the authority or the monetary backing to take on these companies. I really cannot accept your statement that it's in the hands of the local municipalities because, being a representative of one formerly, I know exactly what the situation is about. Let's get back to the point that we were talking about. We here in this committee are very interested to know how much longer we are going to have to wait before you act on this brief. I think that's the question.

Hon. B. Stephenson: I just answered your question.

Mr. Mancini: I don't think you did, because at one time you told me that it was not in your jurisdiction and the next time you told me it was coming—

Hon. B. Stephenson: It is not at the present time within our legislative capability. We are in the process of developing omnibus health and safety legislation, Mr. Mancini. I anticipate that indeed the concerns which you have expressed will be dealt with in that legislation.

Mr. Mancini: I think the particular case that we are dealing with was an accident in Amherstburg and it occurred July 4, 1974. Now, are you telling me since July 4, 1974, till today we are still discussing—

Hon. B. Stephenson: No, I can't tell you what happened between July 4, 1974, and Oct. 7, 1975. I can tell you what happened between Oct. 7, 1975, and this date.

Mr. Mancini: Really, I don't find that a suitable answer because—

Hon. B. Stephenson: I'm sorry.

Mr. Grande: Put a resolution on the order paper.

Mr. Mancini: —really it says here in this brief that the information was supplied by or to Mr. Cleverdon. Is he here? So you are still in the same position?

Mr. Cleverdon: A little different position actually.

Mr. Mancini: Yes, you probably moved up a little bit. Good, I'm glad to see you are progressing. But honestly, wouldn't you feel it was your responsibility to advise the previous minister and this minister on what the brief said, and because so many people are losing their lives, that we should act on it as soon as possible, or has it fallen upon deaf ears?

Mr. Cleverdon: Shall I respond to that?

Mr. Mancini: Yes, I'm asking you.

Mr. Cleverdon: Let's get the thing in its proper perspective. First of all, while, admittedly, about a third of our construction deaths in some years have been caused by electrocution and almost all by high voltage conductors, a few with low voltage, that case arises out of a particular situation where the contractor asked for a stake-out by the local utility of a buried conductor, and in good faith dug a hole 12 feet away from it and hit the conductor, which was therefore incorrectly staked out. There is nothing in the law today in construction safety in the province that would let us prosecute the utility in that particular situation, and I so advised the contractor by mail when he wrote me about the matter.

As a consequence, he went before the Heavy Construction Association in Windsor and they made that brief to our ministry. I then made quite sure that copies were sent to the relevant utilities and to Ontario Hydro, because they were directly affected by the implications of a rather expensive solution to a problem, in my opinion, for their consideration. As a consequence, under the sponsorship of the Construction Safety Association, a committee was set up involving contractors, trade unions, the utilities, Ontario Hydro and the Construction Safety Association, to look into the whole matter. They produced a totally different brief, which they sent the minister here a few months ago, and that brief is part of the overall package being reviewed right now in our ministry for changes of regulations when the new Act does go through in the spring as part of a whole package.

Mr. Mancini: You are telling me that what the Heavy Construction Association of Windsor said really is not the whole and true picture?

Mr. Cleverdon: That's true.

Mr. Mancini: And that you now have another brief and you are going to act upon that one?

Mr. Cleverdon: We will consider it. I don't say we will act upon the briefs. We will consider them.

Mr. Mancini: There is one problem that we haven't dealt with in too much depth yet this evening and that's about deafness caused by noise in a work place. Is the minister aware that the claims to the Workmen's Compensation Board cost an average of \$5,000 each when workers lose their income because of loss of hearing, and don't you think it's time that we really go for all-out effort on the noise abatement devices which are needed in some factories in our province?

Hon. B. Stephenson: I am aware that there has been a study done on industrial deafness in the province of Ontario which is not as yet totally completed. I am aware that certain recommendations will be made as a result of that study and I anticipate that that information will be available to us by the end of this year, so that indeed we can begin to act upon it.

Mr. Mancini: Could you elaborate a little bit on the study and some of its suggestions and what they found, so members of the committee will know?

Hon. B. Stephenson: The noise level which has been accepted in the past may, in fact, not be acceptable at the present time or in the future.

Mr. Mancini: What noise level was that? Can you tell us?

Hon. B. Stephenson: The 90-decibel level has been accepted previously, functionally at 85 decibels, and it is questionable whether, in fact, that will be acceptable.

Mr. Mancini: Then you are telling me that there is going to be legislation which will make it mandatory for all industry in the province to have noise abatement devices which will bring the noise down to at least less than 85 decibels?

Hon. B. Stephenson: Those are the things we will be looking at, yes.

Mr. Mancini: The other day we were talking about lost time due to strikes, and actually there was quite a bit of lost time due to strikes, but is the minister aware that we lose more time in the work place due to injuries than to strikes? Is the minister aware of that?

Hon. B. Stephenson: Oh, yes, Mr. Mancini.

Mr. Mancini: I would just like to say to the minister, it is our job here as members of the committee to question—

Hon. B. Stephenson: If you are including illnesses and injuries, yes. The lost time is greater.

Mr. McClellan: Could you table those figures for us?

Hon. B. Stephenson: I will try to get them for you.

Interjections.

Hon. B. Stephenson: For Canada, yes.

Mr. Mancini: We have some figures here. I believe they come from the Workmen's Compensation Board and I think they are correct. We lose approximately 5.2 million days for injury. Is that correct?

Mr. Armstrong: I think Mr. Skolnik has some figures that he can give us now.

Mr. Skolnik: Yes, we have worked out an estimate for Ontario for 1975 of 4.7 million man days lost due to work injuries. Now I want to caution you that this has to be regarded as a fairly rough estimate because the Workmen's Compensation Board does not really keep comprehensive statistics on the number of days lost for each injury, but this is based on an estimate of approximately 25 days lost per injury. It is the figure that is used by the Canada Department of Labour, and the number of man-days lost due to work stoppages in 1975 was 3.1 million.

Mr. Mancini: Yes. To put that in a little better perspective, the Workmen's Compensation Board does not include the first day off the job as a lost-time accident, does it?

Mr. Skolnik: That's correct. Prior to 1968, they did not include the first three days. Beginning in 1968, they include all days but the first day.

Mr. Mancini: Also, if a person gets killed, they don't calculate how many days he would have worked and this type of thing, so really the figure could be much higher?

Mr. Skolnik: If you are taking an average of 25 days lost per injury, the margin of error there would be greater than that one day out of 25 in using this figure. Our precision with these figures is not sufficient so that one day would really be dramatic.

Hon. B. Stephenson: I am sorry, because I thought that figure included a certain measure of illness rather than just injury and that's my error.

Mr. Lupusella: Mr. Chairman, can I go to a short supplementary? Are those 25 days lost for each injury?

Hon. B. Stephenson: That is the estimated average per injury.

Mr. McClellan: You will get us a complete statistical picture of this?

Hon. B. Stephenson: We will try to get as complete a statistical picture as we can.

Mr. Grande: Just one point, on the information that the gentleman gave, the 3.1 million was due to what?

Mr. Skolnik: Work stoppages.

Mr. Grande: Work stoppages, meaning strikes?

Mr. Skolnik: And walkouts.

Mr. Mancini: I was talking to a person in my constituency who was working in one of the smaller factories, and he was telling me that a lot of the times he would find unsafe working conditions on the work place and he would report this to his supervisors. A great deal of time would go by before the work place was made safe again, or as time would go on people would forget that he had made the complaint and things were never made to be the way they should be. I was wondering if that also is going to be included in the minister's health and safety proposals coming in the spring? We have to realize that most people work in smaller industry and smaller work places, and it's only really the big auto makers and steel factories that have thousands of employees, and we were wondering how we were going to be able to check the many hundreds of small work places that make parts for cars and that type of thing? Have you plans for that?

Hon. B. Stephenson: The intent of the legislation which I have already introduced is that, indeed, this will be carried out within the small work place. Specifically, the worker has had the right since 1971 to refuse to work in unsafe conditions. There has been a mechanism established in conjunction with the Ontario Federation of Labour for dealing with this problem in organized situations, but we realized that the worker in the unorganized situation did not have similar protection. The protection which we feel the

worker should have is built into Bill 139, which I hope we will be debating next week.

Mr. Mancini: So you are telling me that you are going to introduce similar type of legislation that the minister in Ottawa—

Hon. B. Stephenson: It has already been introduced.

Mr. Mancini: This legislation that's already introduced is going to give the unorganized worker the right to leave the work place?

Hon. B. Stephenson: Yes, precisely.

Mr. Mancini: And protection when he goes back?

Hon. B. Stephenson: Yes, precisely.

Mr. Mancini: Okay, that's fine. I also wanted to ask if you had any records on how many accidents occur per day or per hour. I think maybe the board does it per hour. I am not sure, but do you have any figures on that?

[9:30]

Mr. Skolnik: We have it per year. We haven't calculated it on an hourly basis.

Mr. Mancini: What is it per year?

Mr. Skolnik: The number of lost-time injuries?

Mr. Mancini: No. How many accidents occur per year?

Mr. Skolnik: The number reported to the Workmen's Compensation Board in 1975 was about 400,000-odd. Of those, about 140,000 involved lost time.

Mr. Mancini: About 400,000 accidents per year. So we're talking about 1,200 accidents per day.

Hon. B. Stephenson: But only about one quarter approximately, is it not, are lost time?

Mr. Mancini: Does the minister know or is she aware of the practice of certain companies when they have workers who are injured on the job, many times these workers are asked to come into the work place and just sit and not do anything? So actually they're not paid by the board and, therefore, their rates don't go up. Are you aware that there are companies that do this?

Hon. B. Stephenson: No, I am not aware that there are companies that do this. I have heard this from you and from at least one other person, yes.

Mr. Mancini: Yes, well we had a particular situation in my riding. We had a worker who had his hand smashed and when he saw the nurse she asked him to go home and he returned to work the next day, and then the next day she sent him to the doctor, and the doctor put a cast on his hand, and then the worker went home and he was called by somebody in the safety branch of the plant to come back into work and he felt that no, he couldn't go back into work, and now the poor man is fighting over who's going to pay him—the company or the Workmen's Compensation Board. Do you have any ideas of how we can stop this, or discourage companies from even putting undue subtle pressure on employees to come in to work when they have just been injured and they are—

Mr. di Santo: You have to change the system.

Mr. Mancini: I see, okay. I'm asking the minister.

Hon. B. Stephenson: If the worker requires medical attention that accident will be reported to the Workmen's Compensation Board, so that indeed the board is aware of the fact that an accident did occur. In instances where the nurse alone looks after the injury, if it's not serious enough to require medical attention, then I suppose it's quite possible companies might persuade the worker to—

Mr. Grande: Smashing his hand is not serious?

Hon. B. Stephenson: I think it is serious. What Mr. Mancini was telling us was that a doctor finally did see it, and what I'm saying is the Workmen's Compensation Board would be informed that that worker was injured as a result of requiring medical attention from a physician. If it was not a serious injury and it was seen only by the nurse in the plant and the nurse felt that it required no other treatment, I suppose it might not be reported. I think this is the kind of case that he's talking about.

Mr. Mancini: The case was reported to the board, and the board says to the employee, "Your employer had a job of lesser duties for you to do and you refused to go, so therefore you can't collect," and this type of thing.

I have to believe that when a person is injured, his hand smashed, etc., he really is in no condition to get up the next morning and go in to work and sit down at the work place. If he doesn't feel good, he can't lie down. He really doesn't have the comforts of

his home when he's injured but not injured enough to go into the hospital. I think we should be trying to discourage companies from calling up their employees late in the evening by the safety branch department and asking them to come into work. This poor gentleman was off seven weeks and he got no money from anyone.

Just on a different subject, I was wondering—

Hon. B. Stephenson: If you have the case number of that one I'd be very pleased to look into it.

Mr. Mancini: I've written to Michael Starr and I'm very anxious to see what he does about it.

Mr. McClellan: You should have sent it to Ted Bounsall.

Mr. Grande: What was the minister's answer?

Mr. Mancini: The same answer we got for the other thing: "We're looking into it." I assume that's what you said?

Hon. B. Stephenson: No. I think the question that you raised is one that will have to be investigated. As I said, I have heard this from you and from one other individual. I was not aware that, in fact, it was happening.

Mr. Grande: Would you do it?

Hon. B. Stephenson: Do what?

Mr. Grande: Will you investigate this?

Hon. B. Stephenson: Of course. The case that he's talking about? Of course. Yes, of course. That's exactly what I asked him to do—give me the man's name and his number and I would be glad to investigate it.

Mr. Mancini: Yes, I'll be sure the minister gets that information.

Hon. B. Stephenson: Thank you.

Mr. Mancini: I think I'll end my comments there. Thank you very much.

Mr. Lupusella: Mr. Chairman, can I raise just a short question with the minister in relation to the question raised by Mr. Mancini? Are you aware of cases in which the company pay the employees through private insurance and the Workmen's Compensation Board is sending the cheque to the employer and the employee is paid through this particular plan? I'm not sure about the private insurance which is involved in the case, but

I am aware of cases in which the employer is paying, through this private insurance, the employee, and the Workmen's Compensation Board is paying the employer; sending the cheque to the employer.

Hon. B. Stephenson: No, I am not aware and if you would give me the information I shall attempt to investigate that as well.

Mr. Bounsall: That sounds like a schedule 2 employer.

Hon. B. Stephenson: A schedule 2 employer?

Mr. Lupusella: I don't have the details of particular cases which are involved because they were dealt with by me in the past, but I would appreciate it if you get in touch with the chairman of the Workmen's Compensation Board in order that such procedure won't take place any more. I think when any employee is injured on the job he deserves payments from the Workmen's Compensation Board instead of following this roundabout procedure on behalf of the employer.

Hon. B. Stephenson: Let me investigate that.

Mr. Lupusella: Thank you very much.

Mr. Chairman: I have the following list of speakers: Johnson, Gaunt, Miller, Davison, Wildman, McClellan, Lupusella, Bounsall. I remind the committee that we do have an agreement that this vote will be finished at 10:30.

Mr. Wildman: Can we split the time, Mr. Chairman? Can we have an agreement to split the remaining time among the remaining speakers? I gather that it's pretty evenly balanced.

Mr. Kerrio: I wouldn't think so.

Mr. Johnson: Mr. Chairman, may I speak? I would to just take a few minutes. The objectives of the occupational safety branch are to prevent the loss of life, injury, on construction projects, in industrial establishments and in logging operations. I assume the key word is "prevent," and yet there is one very apparent and serious problem that doesn't seem to surface. That is the problem of drinking, and drinking on the job, and the use of drugs, even for medical reasons.

I am thinking in terms of someone who operates a crane, a lift-fork or a bulldozer operator. Anyone handling heavy machinery has to be a potential risk to his fellow em-

ployees. Is there any agency in the ministry or in the work force that monitors the conditions of these people and that could permit a serious accident or fatality?

Hon. B. Stephenson: I'm sure you will realize that specifically identifying individuals who might fall into this category is rather difficult for the ministry to do. Within an establishment, I am sure the employer and perhaps the fellow workers would be able to identify such an individual.

There are several good programmes, one of which I'm aware of specifically, conducted jointly by employers and employees, which are attempting to deal both in a preventive and a therapeutic kind of way with problems of either drug or alcohol addiction within the work place. I think perhaps they are very good programmes. Their success rate, I would judge, is probably at about the same level as the success rate in any other similar programme outside of the work place.

It is a problem that is being recognized by both employers and employees. It's one that we are really going to have to come to grips with, it seems to me, because the potential for hazard to the worker, as you say, is increasing; as our technology increases in sophistication, the potential damage to a worker from machinery increases as well.

We don't have a specific monitoring programme within the Ministry of Labour at the present time. We have had some discussions with some people who are interested in doing—it would not really be a monitoring programme; I suppose it would really be considered more a treatment programme than a monitoring programme in specific areas. This would not simply be related to addiction but it would involve as well an attempt to help to resolve some of the emotional problems of employees, because frequently that's the root cause of the alcohol or drug use on the part of the employee. But it is an increasing problem of which we're aware.

Mr. Johnson: I understand that this is a problem that's faced by most of the industrial nations in the world. Is there any country that seems to be leading others in solving the problem?

Hon. B. Stephenson: In solving it? No, not in solving it. There are some countries which have taken a lead, I think, in an attempt to become actively involved in dealing with it.

Mr. Johnson: In many cases would it not be beneficial if you could just isolate indi-

viduals and have them doing some type of work that wouldn't pose a danger to other workers?

Hon. B. Stephenson: It might possibly limit the hazard to which that worker might be subjected. It might do even graver damage to the individual as a result of the identification and the ostracism which he might suffer as a result of being put off from a regular job into another job.

Mr. Johnson: I'm thinking more in terms of the safety of the other workers who have to live with this.

Hon. B. Stephenson: Yes.

Mr. Johnson: One last question: In the event of a fatality, does the coroner's inquest determine the events leading up to the fatality?

Hon. B. Stephenson: The purpose of the coroner's inquest is to try to examine all of the events which led up to it and to determine the cause of the death of the individual.

Mr. Johnson: And are statistics kept of this problem?

Hon. B. Stephenson: Whenever a coroner's inquest is held in relation to either The Industrial Safety Act or The Construction Safety Act, the report of the jury is sent to the ministry for comment, each of the recommendations is examined and a response is made to the coroner.

Mr. Johnson: Do you have any figures indicating the number that would fall under this problem?

Hon. B. Stephenson: Do you mean in the alcohol area?

Mr. Johnson: Yes.

Hon. B. Stephenson: Mr. Cleverdon says that about one or two a year fall into that area.

Mr. Johnson: Okay. Thank you.

Mr. di Santo: Perhaps a better question would be, how many charges have been laid against the employers?

Interjections.

Mr. Gaunt: Mr. Chairman, the arena inspection programme has caused considerable dislocation in the small rural areas, and the ministry has been dealing with the pro-

gramme on the basis of inspecting the structural part of the arena to make sure that it's adequate and safe. As a result, many small communities have built new arenas, based on the new formula, with Wintario and community centres grants.

[9:45]

One thing that was really somewhat disturbing to me was the fact that from somewhere within your ministry—and I haven't really been able to track down the source of it—came a report that indicated this was only the beginning; that once the structural part of the programme was resolved, then the ministry would zero in and identify areas where the buildings were inadequate in other respects, such as fire, health standards and that kind of thing.

That disturbed me from the point of view that if a community is building a new arena, and your ministry is approving those plans, now is the time to bring the whole thing up to standard. I would like some assurance that that rumour, or whatever, is not so.

Hon. B. Stephenson: It is rumour and it is unfounded, because when the plans are approved, they must meet the Fire Marshal's regulations and the health regulations that are built into new construction. There just isn't any question about the fact that this is not the thin edge of the wedge or anything of that sort. What we are hoping to do as a result of the arena improvement programme is to ensure that this year all of the arenas are going to be—we know they are going to be safe and that we will continue to carry out an inspection programme on a regular basis to make sure that no arena falls into the state in which we found 407 of them this year.

Mr. Gaunt: Okay. So I have your assurance—

Hon. B. Stephenson: Completely.

Mr. Gaunt: —that this is not the thin edge of the wedge—

Hon. B. Stephenson: Where do you suppose this started? I hadn't heard at all.

Mr. Gaunt: It was reported to have started within the branch somewhere—

An hon. member: di Santo?

Hon. B. Stephenson: Odoardo doesn't skate.

Mr. Gaunt: —and I'm pleased to have the assurance that isn't the case.

Interjections.

An hon. member: We don't know that for sure.

Hon. B. Stephenson: I have no doubt that he can.

Interjection.

Hon. B. Stephenson: No, it's not true, because the plans must meet all of the requirements when they are approved.

Mr. Gaunt: Okay, fine. I'm pleased to have that assurance. It will certainly ease the—

Hon. B. Stephenson: But we will make sure from now on, as a result of regular inspection process, that the arenas will remain safe constantly so that we won't have to carry out a crash programme to ensure the safety of the structures for the kids who use them.

Mr. Gaunt: Okay. Thank you very much.

Hon. B. Stephenson: Apparently, the dislocation is minimal. In some of the areas in which they have been torn down, there is a sharing programme going on with adjacent communities until the new ones are built, and in most instances we've been able to establish a monitoring programme which will allow them to stay open most of the time this winter until they are restructured.

Mr. Gaunt: A few of them have opted for the open-air rinks.

Hon. B. Stephenson: That's safe. You used to skate that way, didn't you?

Mr. Gaunt: Yes, indeed I did. I used to fall through once in a while too.

Hon. B. Stephenson: Right.

Mr. Chairman: You'll sleep well tonight now. Have you completed, Mr. Gaunt?

Mr. Gaunt: Yes, I have. I just wanted that assurance.

Mr. G. I. Miller: Madam Minister, what relationship is there between your ministry in terms of its occupational health responsibility and the Ministry of the Environment in regards to working conditions? Are you informed? What is the procedure?

Hon. B. Stephenson: The Ministry of Labour is responsible for the health and safety conditions within the plant. The Ministry of the Environment is responsible for any emanations from that plant into the at-

mosphere surrounding the plant. But we're responsible for the in-plant function.

Mr. G. I. Miller: Do you make regular inspections?

Hon. B. Stephenson: Yes.

Mr. G. I. Miller: Do they have to be requested?

Hon. B. Stephenson: No.

Mr. G. I. Miller: I'm thinking specifically of the St. Lawrence Resin plant in Cayuga, which has had considerable trouble with the Ministry of the Environment. I did have the opportunity of spending a couple of hours in the plant and I thought the conditions were extreme, but I don't think the labour has complained all that much.

Hon. B. Stephenson: The St. Lawrence Resin plant in Cayuga is in Hank Hendrickson's area. Will you check about that, Hank? Fine, thank you.

Mr. G. I. Miller: Thank you. I'd appreciate that. I know the public is concerned, as the Ministry of the Environment is well aware, but I would say the working conditions themselves within the plant might be questionable.

An hon. member: The workers are probably afraid to complain.

Hon. B. Stephenson: We'll find out when the last inspection was.

Mr. G. I. Miller: I have a second question. I don't know whether it fits within this particular area or not. I think you received a letter from Roy Trafford of Simcoe, dated September 20. He was concerned about getting employment at the industrial park at Nanticoke. He had to work through the union in Hamilton and because of his age factor—54, I believe, or in that area—he felt that he was being given the runaround by the union. I think he sent a letter to you requesting an answer to see if you could have any influence on the problem.

Hon. B. Stephenson: I think the complaint he made was that perhaps he was being discriminated against in the hiring hall by the union on the basis of age. That was referred to the executive director of the Human Rights Commission, and a human rights inspector will be examining that situation and reporting to us.

Mr. G. I. Miller: We should have had an answer by this time, though, shouldn't we?

Hon. B. Stephenson: It depends. It depends on how detailed the inspection has to be and how many people the inspector has to interview in order to find out the truth about what's gone on. In certain instances one can discover this in a relatively short period of time such as three, four or five days, but that's not always possible in a case of suspected discrimination. It's a much more difficult charge to investigate, and indeed to prove, than almost anything else is.

Mr. G. I. Miller: Perhaps along the same line, does your ministry have any influence on where union halls are set up? Or is this strictly controlled by the unions?

Hon. B. Stephenson: To my knowledge, we have no influence on the sites that unions choose to establish hiring halls. Did you mean a union hall or a hiring hall?

Mr. G. I. Miller: A hiring hall, yes.

Hon. B. Stephenson: It's usually in the area in which the project is taking place, but—

Mr. G. I. Miller: Again, in the development of our particular area, say, the industrial parks in the city of Nanticoke, the Hamilton one seems to be the controlling one.

Hon. B. Stephenson: Yes, that's possible.

Mr. G. I. Miller: As far as the labour force is concerned, it seems unfortunate that they have to go so far in order to be hired, and I wondered if your ministry had any influence on that.

Mr. Mancini: It's a very good point.

Hon. B. Stephenson: We can certainly speak to the unions to see if they would consider a hiring process somewhat closer to the site, but we don't have any control over that.

Mr. Davison: Mr. Chairman, on the few occasions I've had to sit in on the estimates, I've noticed a very disturbing trend. It strikes me that when somebody pushes or tries, with some emphasis, to get an answer to a question, there seems to be a habit from the head of the table to ask them for their credentials. I may get out of hand a little later on—I may not—but if I do, let me say—

Mr. Mancini: Just try to contain yourself.

Mr. Davison: I'll try, I'll try. It's not always easy.

Mr. Mancini: Try like the rest of us.

Mr. Davison: By way of personal credentials, I know absolutely nothing about crocodile tears. I'm completely incapable of waxing eloquent dramatically—is that right? I do go to the work place. As a matter of fact, from the time I got out of high school to the time at which I was elected to this office I worked in a factory. If, by some strange change I should have to go back to the work place, I will go back to a factory. So I know about factories.

One other point: I am here, just like every other member of the provincial Parliament, representing my constituents. If I ask a question, it's not because I don't have something better to do, it's simply because I'm asking it on behalf of my constituents; and I expect they should be shown the courtesy of a proper answer. If perchance I should try to push on a question, I hope that will be kept in mind.

By the way, they're not provocative questions. Firstly, when I was working in a plant—and I've worked in a couple—I noticed the strangest thing. A day or two before, the inspectors would come into the plant, the word would go out. Every employee would be given a broom and be sent to clean up the plant. Everybody would get a dust mask, all the safety guards would be put back on the equipment, and the plant would be operated in the most proper fashion according to the ministry's ideas of that fashion. Can you explain to me why that happens?

Interjections.

Hon. B. Stephenson: Can any one of you tell me why this should happen—

Mr. Cleverdon: Can I say a word about that? I got that very challenge before 135 organized leaders of construction unions in Windsor two years ago. We were being tape recorded, and he made that statement. I said: "Name one situation you can prove, and I'll buy you a case of whisky."

Mr. Davison: Do you have any idea what would happen to an employee who told you of such an occasion?

Mr. Cleverdon: Let's be quite clear. On the industrial scene, you can predict the inspection on the industrial scene, because the cycle appears on the inspection report form. If you can read the form, you can estimate when he might likely come back again. If it's a three-, nine- or 12-month cycle, he might be able to predict it. **He won't know.** But he'll know about when to expect an inspection. By straight accident, he might

predict the inspection date and be right within a day or two of doing so, using that information.

An hon. member: Why don't you change your pattern?

Mr. Davison: Well, the accident seems to be recurring in nature. I'm not going to belabour the point, but there is a substantial difference in this province between working class people and other people. It's shown time and time again with this ministry. That's an example of it. I'm glad that you have some sort of pat answer that you are happy about it, and I don't think you should think that you can just pull the wool over everybody's eyes. Let's just get that straight.

Hon. B. Stephenson: In the plant in which you worked—could I ask a question, since you suggest that it happened in the factory in which you worked—did you ever report this to the Ministry of Labour?

Mr. Kerrio: You can't lose your job now.

Mr. Davison: I'll tell you something. Like every other employee, I felt the intimidation. That's why I'm here. I didn't seek office for no reason. I sought office because of my experience. I saw what happened to people who did report it: They lost their job or they were demoted for some other reason. Let's just get that clear. I want that on the record. That happens in Ontario. It's not a fantasy. It happens.

Hon. B. Stephenson: If you know now that there are plants in which this is happening, would you please let us know?

Mr. Davison: I think you are probably getting to the heart of the problem. Working people don't trust the Ministry of Labour. It's as simple as that. That's the bottom line. They don't trust the ministry. It's very sad, but it's true.

Mr. Bounsall: I'd be glad to give you instances.

Mr. Lupusella: They need to gain such a trust.

Mr. Davison: I wouldn't give anybody the names of people who came to me with complaints like that.

Hon. B. Stephenson: No, I'm not asking for the names of people. I'm asking for the companies. That's all, the names of the companies.

Mr. Davison: The companies that I worked for are Dominion Foundries and Steel, a very small company in Hamilton that doesn't have very much power in the community; the other one was a smaller plant by the name of Canadian Ferro. I leave the information with you. I don't expect action, but it would be nice to see it, for a change.

Mr. Laughren: Look at the small lumber companies throughout northern Ontario.

Mr. di Santo: If you go through the Waisberg report, you'll get lots of information.

Hon. B. Stephenson: Things have changed since the Waisberg report.

Mr. Davison: The second point I want to raise is that there are plants in Hamilton, and elsewhere throughout the province, that have very peculiar trends in their safety records. There is a plant in Hamilton by the name of National Steel Car, which is a subsidiary of Dominion Foundries and Steel, curiously enough. It seems that its main product is workers' fingers. When you get a job in that plant, you are risking your hands when you go in there. I know many people that walk around in my riding with only a few digits left on their hands.

I would like to know, does the ministry keep track of companies that have repetitive records of that nature, where the same kind of accident pops up again and again and again? And what does the ministry do about that? Do you put pressure on those companies to get something done to clean up their act?

[10:00]

Hon. B. Stephenson: Through the Industrial Accident Prevention Association, and certainly through the co-operative programmes which we have with employers and employees in various plants, pressure most certainly is put on companies to attempt to resolve this problem. We do have records of those industries in which there are recurrent accidents or high accident rates.

Mr. Hushion: Might I just add one point? In those situations where we are having specific problems with employers, obviously the inspection cycle is going to be changed. Where we are running into problems where we have to repeatedly write directions or where the employer has a particularly bad accident record, we will adjust the cycle and we will go in there on a much more frequent

basis. And we will go in there, not only with our inspectors but with some of our more senior people, and sit down with both the union, if there is a union involved, and senior management.

Mr. Davison: There is a union in that plant.

Mr. Hushion: We will keep working with that situation until that problem is cleared up, in addition to the work that is done by the various safety associations.

Mr. Mancini: Why don't you try surprise visits to the work place?

Mr. Hushion: We do make surprise visits to the work place.

An hon. member: Do you make surprise visits?

Mr. Hushion: Yes, we do.

Mr. Laughren: Perhaps the minister could table a report on the investigations which successive Ministers of Labour have promised on the lumbering industry in northern Ontario. Where are those reports? I'll bet you in the last four years there have been four different requests—and I gave specific examples to successive Ministers of Labour—but I have yet to see one of those investigations into the employment standards of the small lumbering companies in northern Ontario.

You people at the head of the table were still there; you people were certainly at the head of the table those days, as you are now. I have yet to see the results of one of those investigations. Do you know why? I suspect you never made them. Don't tell us about your programme of investigation, follow-up and concern for the workers in the small, un-unionized places of work. There is no concern.

Mr. Davison: I'll tell you what the problem is. As long as guys keep going into plants and losing their hands, their limbs, contracting lung cancer and everything else, and as long as that happens without cure or rectification, this ministry will have no confidence from working people. Working people will say that you have your friends and you look after your friends, that the ministry and the government do that. And I don't mean to say that in an accusative fashion. I don't mean to be in the least way provocative. I simply mean to state a fact.

Thirdly, in 1975 and 1976 there were 57 convictions under the industrial safety branch

process which led to the levying of fines totalling \$50,376.00. That works out to approximately \$883.79 a fine. Can you tell me and, through me, my constituents what effect \$883.79 has on a company? We would really like to know. Is this some sort of a minor profit-making venture or something? What is it supposed to do? If it's supposed to cure the problem, it hasn't. Either you get out there and you see that some serious fines are enforced or you think of something more drastic if that doesn't work.

Why don't you put the presidents of some of these companies on the assembly line? Why don't you put them in the factory? Let them lose a finger or two and see what they think about it, and see how quickly the plant would be cleaned up. Why don't you try that?

Mr. Grande: Bad publicity; you won't get workers to work there, you see.

Mr. Davison: Just one other point. I'm sorry for my frustration, but this has been building up for a long time. There is a philosophy of safety within this ministry and within this government that is absolutely ludicrous. The prime example is workers who work in a dusty environment, say, in a foundry that won't come up to standards. They won't use more expensive materials like zircon or chromite; they stick to the old standby, silica, and the atmosphere is very dusty from the silica. They reuse the sand; they beat it out on hot pads and use air jets. The entire place is so black you can hardly see sometimes.

Maybe it would be a good idea if all of you were able to work a few weeks in the foundry at Dofasco and see what it is like, because I think you have just lost touch.

Do you know what the concept or the philosophy of safety is that is exhibited by this government and by your ministry? Those workers should wear dust masks! How inane, how inhuman, how insensitive, how stupid can a government philosophy be that would say those workers should wear dust masks?

I would love to have people from the Ministry of the Environment here so we could do some cross-references. I would like to know from the Ministry of the Environment if they would continue your policy and have everybody in the north end of Hamilton wearing dust masks. I would really like to know that.

I conclude by saying again that my frustration is just overwhelming. This ministry has been identified by working people as a sop to the powers that be in this province.

You have completely lost touch with reality and with what is happening in the work place. And if you don't clean up your act, you are not going to be a government for very long. That doesn't upset me, but perhaps it should upset you. People are catching on. They are beginning to see who their friends are and where their friends are on the issues.

Mr. Mancini: We're all glad to hear that.

Mr. Laughren: Does the minister not have any response at all?

Hon. Mr. Stephenson: I'm not really sure that I should dignify some of those remarks with a response.

Mr. Laughren: That's fine. You accept them then.

Hon. B. Stephenson: But I can tell you that indeed the philosophy of the Ministry of Labour is not to function as a sop. It is to function on behalf of all the workers in the province of Ontario, and it is attempting to do that in a diligent manner with a dedication which I believe is unusual in this country.

Mr. Laughren: I guess all we have to go by is the track record.

Hon. B. Stephenson: Compare it with any other jurisdiction.

Mr. Davison: Why make comparisons, for heaven's sake?

Hon. B. Stephenson: Because you keep telling me—

Mr. Davison: This isn't a game. There's no score. The only score is measured in lives.

Hon. B. Stephenson, Mr. Davison, I was trying to respond to the question which Mr. Laughren was raising. The philosophy of this ministry is that indeed it is not a game; it is an exercise of grave responsibility. We do not state that our only aim is to develop and enforce legislation. Our aim is to help both employers and employees, with our assistance, to develop the best possible work places. And we are working to try to do that.

Mr. Lupusella: You say you are using the best system for the workers, Madam Minister; that that's what your branch is doing for the workers of this province. In fact, in the Legislature the philosophy of your government is always expressed in each min-

isterial statement, in the words "for the benefit and in the interests of all workers of this province." But you shouldn't say those words in the Legislature.

Hon. B. Stephenson: Why?

Mr. Lupusella: Because in practice it is not true.

Hon. B. Stephenson: It is true.

Mr. Lupusella: It is not. Otherwise, you would change the Act, you would change the procedures, you would change everything. You are just using words about the aims of the workers to tell the province of Ontario that you are really concerned about their problems when, in fact, you are not. You shouldn't use those words until you are able and willing to change the legislation in behalf of the workers in this province.

I feel really frustrated in the Legislature when your government expresses such a philosophy and uses such words in the name of the workers to show that the PC Party is really concerned about their problems. In reality, you are not.

Hon. B. Stephenson: I am sorry to disagree with you totally, vigorously and unequivocally, but what you are saying is not factual.

Mr. Lupusella: Well, you can say that, Madam Minister, but otherwise 6,000 widows in this province shouldn't exist. It means that your branch is not working properly. More workers are dying on the job. If you were really concerned, you would change the Act. You are not doing so.

Mr. Wildman: Mr. Chairman, I think we have got to the core of the problem, which is really a problem of philosophy. I think the philosophy is shown when you go into a plant or a doctor's office and you see the safety posters. I've seen posters where a worker has a respirator on his face—he's got his hard hat on, of course—he's got muffers over his ears, he's got safety glasses on, he's got gloves on and so on.

Obviously, it's a good thing that workers should be advised that they should use these kinds of protective equipment, but I think it indicates that what the ministry seems to be concentrating on is the worker using all of these methods to protect himself from an unsafe environment in the work place when, along with that and perhaps even more important than that, what we should be doing is changing the environment, not the way the worker works in that environment.

I've had some interesting discussions with company doctors who finally seem to be coming around to the point of view that maybe you can't really blame a worker who has to work eight or nine hours for taking his respirator off when he starts sweating. He says: "It's so uncomfortable in this situation, I'm going to take this off." He doesn't even think about it probably. But maybe you should be doing something about the environment so he doesn't have to be wearing that thing all day.

When the inspector comes in, he says to the worker: "You people aren't wearing your safety equipment; you're not following the regulations or the guidelines. Therefore, you're risking harm as a result of working in this environment." I think that indicates the basic philosophy of the ministry, and as long as that is the philosophy, naturally we're going to have people who feel they're going to take the risk. This is especially true if they're younger, but sometimes older workers who have worked in that environment for a long time—before those regulations came in—they say: "I've survived this long, so I'll continue to be able to survive by working in this without this respirator or whatever."

As long as you have that situation, then you're going to have people who don't follow those regulations and who risk harm in an unsafe environment. The environment will change; that's what has to change.

It's somewhat similar to the Workmen's Compensation Board's attitude. I have a number of miners in my riding who, Ministry of Health x-rays have indicated, are presilicotic. They have applied for benefits from the Workmen's Compensation Board, but they have been told that their condition is not serious enough to be compensable. As a result, they're told to go back underground, even though the Ministry of Health has said it doesn't advise that the worker go back underground.

I'm talking about miners, who are under the Ministry of Natural Resources right now, but I understand that will change. They're telling them to go back underground and to have another x-ray the next year—of course, they're required to have an x-ray each year—and to reapply if their condition has deteriorated. What you're telling those workers is, "Go get sick, then come back and see if we'll help you out."

The same thing happens when a worker applies for compensation because of hearing loss. If the doctors examine him and find that his hearing loss is not up over 32 per

cent loss in both ears or something like that; then he may be in trouble because they say it's congenital because, even though he's working with the drill or whatever it is right beside one ear all the time, it still should affect the other ear the same amount.

Even if it is the same or approximately the same in both ears, if it's not enough, then they're told: "Continue to work in the environment you're in. If it deteriorates, come back and then re-apply." In other words, "Get deaf and then we'll see if we can help you out."

[10:15]

That whole philosophy is backwards. What you're saying to people is: "Protect yourself from an unsafe environment." Which makes sense. I think it's a good idea to advise people to protect themselves from an unsafe environment. But what about the environment? Or you tell them: "The unhealthy environment hasn't hurt you enough as yet. Go back into that environment. See if it hurts you any more. If it does, we'll compensate you." That is not only ridiculous; it's callous.

I don't see how you get around this philosophy unless you completely turn it around and take the largest responsibility away from the employee and put it on the employer. This involves saying: "All right. You have got to clean up this environment. If it involves closing down your plant to clean it up or change it, you do so—and those workers in that plant don't lose any pay while you're doing it." I think that's the philosophy this ministry should operate on. If it did, we wouldn't have the same kinds of problems, and most of the MPPs, no matter what their party, wouldn't have nearly the number of compensation cases and appeals that they have now.

Mr. Lupusella: We've become social workers. That's what we are. We should send those cases to the Minister of Labour.

Hon. B. Stephenson: It's obvious that the programme of the Ministry of Labour, which works actively to engineer out of the environment the hazards which may exist there, has escaped your notice. But that is one of the major objectives and activities of the Ministry of Labour.

Mr. Wildman: I don't debate that you're doing something in that area, but I don't think you're doing nearly enough. The basic philosophy is still there when you're talking about an individual worker. If that worker gets hurt or gets sick, it's his responsibility.

It's his responsibility to ensure that he wears a respirator, safety glasses, a hard hat or safety boots. It's his responsibility to keep his hands out of a saw or, if he works in the bush, to ensure that the chain-saw doesn't slip. All of those sorts of things are the responsibility of the worker. And if the worker gets hurt, then he's got to prove that he's really sick or really hurt before he's compensated; otherwise, he's told: "Go back and get worse. Then come back and we'll compensate you."

Mr. Lupusella: They want to see them dead.

Mr. Wildman: I don't think they want to see them dead, but sometimes you wonder.

Mr. Shore: Your colleague thinks so.

Mr. Wildman: Well, he has a lot more experience with injured workers than you have; and if you had as much experience as he had, you'd feel the way he does.

Mr. Lupusella: Otherwise, you wouldn't have moved to the PC Party.

Mr. Shore: You said they wanted to see them dead.

Mr. Wildman: What are you doing about taking that whole philosophy and turning it around so that it's the responsibility of the company that the worker works for, when the worker gets hurt? If that was the philosophy, you wouldn't have nearly the problem we have now in getting compensation for those workers.

Hon. B. Stephenson: But that is the basis upon which the compensation function operates.

Mr. Wildman: Then tell me why a person who has got a certain hearing loss is told to go back and get worse before he's compensated from the money that is paid to the Workmen's Compensation Board by his company?

Hon. B. Stephenson: He is also told to protect his hearing. He's told what he should not do, not only at work but also at home, in order to protect his hearing.

Mr. Wildman: Is the company told, "You'd better do something about that noise in there or that guy's going to get worse"?

Hon. B. Stephenson: There has been some activity. The area in which you are primarily concerned is the area of mining, which is a major problem and which obviously is going to have to be dealt with in a very

active kind of way, but this is not limited to mining. There are certain industrial processes which, in fact, have noise abatement programmes and some of them are being very successful. Where it is defined and we're trying to engineer the problem out, then until that can be done it certainly is wise for the worker to wear the protective ear covering in order to protect his hearing until it can be eliminated as much as possible.

Mr. Wildman: I don't debate that at all; it's a good idea to try to educate them to do it. But as long as the attitude is, "You didn't wear them or you worked too long before these regulations came in, so it's too bad if it happens to you," then you're going to continue to have the kinds of problems you have now. You're also going to have, as my colleague mentioned, the same kinds of attitudes among workers toward the government, the Ministry of Labour and, in the mines, the Ministry of Natural Resources. That is, "The inspectors are there mainly to give us trouble instead of to help us."

As long as you have that attitude, you're not going to have any trust and you're not going to be able to do anything in a serious way about changing the attitudes of workers toward you—unless, of course, you want to change your whole philosophy, which I think you should do. You should change it all around and make it the sole or almost complete responsibility of the company to ensure that their workers are not hurt or harmed in the work place.

Hon. B. Stephenson: It is a responsibility of the company to make sure that the work place is as safe as possible. But it's also the responsibility of the worker to ensure that he does not get into unnecessary trouble in his work place.

Mr. di Santo: It doesn't work that way. Otherwise, how can you justify that we have 400,000 accidents in Ontario, while in England they had 500,000 accidents in 1975 with a work force six times larger than that of Ontario?

Hon. B. Stephenson: You are aware, of course, that one-quarter of those accidents are not lost-time accidents, and I would ask you to examine the English statistics to ensure that exactly the same kinds of accidents are being reported, because there is a different reporting mechanism.

Mr. Chairman: Just for the benefit of the committee, I have Mr. McClellan, Mr. Lupusella, Mr. Bounsall and Mr. Newman. We

have an agreement that we'll finish this vote at 10:30.

Mr. Wildman: Can I ask just one short question, then I'll turn it over? What changes do you anticipate in the situation if your legislation passes? What changes do you envisage in the situation where the Ministry of Health now advises a worker not to go back into the work place because he is going to get silicosis but the Workmen's Compensation Board will not compensate? What changes do you envisage in that situation, once your legislation changes?

Hon. B. Stephenson: The pre-silicotic programme at the present time is to work with that individual to help him to change his job so he won't go back into that work place.

Mr. Wildman: Is that person going to be compensated if his different job is lower paid?

Hon. B. Stephenson: He is compensated throughout his retraining programme until a new job is established for him, and he is assisted to move to other areas if necessary.

Mr. Wildman: If that new job he gets is a low-paying job, is he going to get the difference between that job and the previous job?

Hon. B. Stephenson: At the present time he does not.

Mr. Wildman: Is he going to? That's what I'm asking.

Hon. B. Stephenson: At the present time he does not. This whole problem is being examined, as I've said before, by the joint consultative committee of the Workmen's Compensation Board.

Mr. McClellan: Mr. Chairmen, I want to go back to the subject that Mr. di Santo started with, the construction industry, and remind the minister that in this evening's paper there's a report of the death of a construction worker. I believe he's one of Mr. Lupusella's constituents. Although the report is somewhat obscure, it appears that he died as a result of faulty scaffolding. We'll be looking at that more closely, but if that's the case, it verifies the kind of thing that we've been talking about here and it justifies the kind of passion that we speak from.

I don't know whether your new legislation is going to be effective in the construction industry or not. Let me simply give you notice of some questions that I expect will have to be answered in the debate on second

reading. Earlier in this evening's discussion, your assistant referred to the evaluation study of the hiring hall project. I don't know if you've read that yourself, Madam Minister.

Hon. B. Stephenson: The Waisberg report?

Mr. McClellan: No, it's an evaluation study that was done by the ministry of work programmes in local 183's hiring hall. I think that should be a sufficient reference that your staff could get it to you. Do you know what a pusher is in the construction industry?

Hon. B. Stephenson: I've heard.

Mr. McClellan: Unless you address yourself to the structure and the patterns of work in the construction industry, all of the legislation in the world isn't going to mean a damned thing. As long as the construction industry is structured in such a way that each crew has a lead hand who's designated by management to push, push, push—and it's his job to hassle the workers to speed up and get the job done and damn the consequences—and doesn't care about the safety implications or consequences of this kind of speed-up, the accident record is just going to continue unabated. You're going to have to tell us, I hope on second reading, how you intend to deal with this aspect of work in the construction industry, because that's a basic problem, and your evaluation study verifies that.

Secondly, it seems to me that you're going to have to deal with the question that Mr. Germa raised earlier in these estimates debates. That's the question of criminal liability of officers of corporations. If a construction corporation is fit to be fined the maximum penalty under the law—and we know that's ineffective—you're going to have to build penalty clauses into the legislation that make it possible to prosecute officers of corporations. Otherwise, we're just engaged in a rhetorical game. Unless there's a meaningful penalty attached to employers who are at this point quite comfortable with writing off the insignificant fines that result from ignoring or violating safety legislation, the legislation simply is a waste of time.

Thirdly, I want to stress again very briefly how inadequate is the focus on the employee's responsibility for work safety. The series of ads that uses the phrase, "You've got it, use it," is incredibly offensive to my constituents, to Odoardo's constituents, to Tony Lupusella's constituents. They know that their employers force them to work at unsafe speeds in unsafe working conditions,

and all of the media hype in the world doesn't change that reality. They know that employers are immune from consequential prosecution, and all of the media hype in the world doesn't change that reality. It does a real disservice to the people of this province to try to lay the blame solely, through your media campaigns, on workers. It creates an absolutely backward sense of where the prime responsibility lies. If you're going to do media campaigns—and you should do media campaigns—you should continue the kind of media campaigns that stress safe work practices for employees, but they've got to be equally balanced with media campaigns that stress the employer's responsibility as well. Until you do that, you can expect your media campaigns to be treated with the kind of cynicism that they deserve.

Mr. di Santo: Hasn't the minister any comments?

Hon. B. Stephenson: I'm listening to him and considering his statements, yes.

Mr. McClellan: We'll be coming back to it in the debate.

Mr. Lupusella: Mr. Chairman, I realize that the time is quite short and I would appreciate it if we're going to extend the time for tomorrow, because this particular item is very important and affects a lot of the workers of this province. I think we have to draw this to the attention of the minister so that a very progressive and constructive programme will be introduced in order that those problems will be eliminated.

[10:30]

The minister may remember that on June 21, 1976, in the budget debate I raised a particular problem. I was really concerned about problems related to accidents in the province of Ontario. I criticized the attitude of this government for not taking any action on the budget, which was presented in early April by Mr. McKeough. I want to quote a particular phrase which I mentioned in the budget debate, saying there was lack of interest by this province and this lack of interest was very clear in the area of health and safety. While the budget makes people pay more for basic health care, the government continues to do less than it should to ensure the health and the safety of the people of Ontario. We get some sense of the state of affairs in industrial safety when we note that Ontario, along with the rest of Canada, has the highest incidence of industrial accidents among the major western industrialized nations.

Madam Minister, I would like to draw to your attention that even though there was an increase on this particular item and more money is to be spent—the figure in dollars and cents can be identified as \$400,000—even though this is so, those problems which a lot of members were really concerned about were not eliminated at all. In fact, as I mentioned before, and I want to emphasize again now, the philosophy of this government is to be very happy when there is a small reduction in the number of accidents. I completely disagree with this philosophy, because those accidents on the job shouldn't exist at all, shouldn't take place at all. When I hear the Minister of Labour saying that last year we had half a million accidents taking place on the job—and I am using this as an example—and this year this number was reduced, I don't think you should be happy about it.

Hon. B. Stephenson: I didn't say I was happy, Mr. Lupusella.

Mr. Lupusella: I always hear, in this government, that the number has been decreased and there was some concern about this government fighting the number of accidents. My particular problem and my particular concern is that those accidents shouldn't exist at all, shouldn't take place at all. I think that is the kind of a philosophy which your government should go to in order that the workers of this province won't be affected.

I mention, as supplementary, the fact that in this province alone, in the province of Ontario, we have 6,000 widows. In other words, 6,000 people were killed on the job and those widows are suffering the consequences of unsafe working conditions, and also are penalized for the fact that they are getting \$265 a month from the Workmen's Compensation Board. I think that is a shame. They are living under the poverty line in Canada and I think the government should move and introduce legislation in order that those widows will at least have a comfortable life raising their children, and they won't be penalized.

I hope, Madam Minister, you are going to take this particular problem very seriously, because in my riding, which is particularly formed by working people, I have many injured workers in my riding. I have 400 cases which are supposed to be dealt with by the Workmen's Compensation Board, and the point which I want to raise tonight is not the question of whether I want to help those people, but I haven't been elected by them

just to be a social worker, and I am sure there are a number of members belonging to the New Democratic Party who—

Mr. Mancini: You are not the only one to get constituency work, come on.

Mr. Lupusella: I want to see when the budget of the Workmen's Compensation Board is going to be produced.

Mr. Mancini: Stop blowing your own horn. If you are helping them just say you are helping them.

Mr. Grande: He's not blowing his own horn.

Mr. Wildman: He doesn't want 400 Workmen's Compensation cases, he wants something done about it.

Interjections.

Mr. Chairman: Order.

Mr. Lupusella: Mr. Chairman, to the attention of Madam Minister, when the board appears before the committee to discuss the budget of Workmen's Compensation Board, I am going to draw the attention of the members belonging to the NDP to take down those cases, because we are not civil servants of the Workmen's Compensation Board, we have been elected to deal with problems in the Legislature and not with individual cases. This government can introduce effective legislation to eliminate those general problems by which individual cases are affected. I hope you are going to draw this to the attention of your cabinet in order that—

Interjection.

Mr. Lupusella: Mr. Chairman, can you keep this guy under control?

Mr. Chairman: Order, please. In view of the fact that the committee didn't start until 8:15 I am quite willing to extend the meeting to 10:45 p.m. That means that Mr. Bounsall will have five minutes and Mr. Newman five minutes.

Mr. Lupusella: I would want to say to that, Mr. Chairman—

Mr. Chairman: Mr. Bounsall.

Mr. Lupusella: Well, let me conclude first.

Mr. Chairman: After all, there are less than 10 minutes left, and I think it is only fair that these two men, who have been on the rostrum for some length of time, should have a chance to speak.

Mr. Lupusella: I have a lot of things to say under this item, Mr. Chairman.

Mr. Chairman: Mr. Bounsall has the floor. If he wants to yield to you, that is up to Mr. Bounsall.

Mr. Lupusella: Okay, I'll pass it.

Mr. Grande: On a point of order. Has this committee decided that by 10:30 this particular vote will come to an end?

Mr. Chairman: On Tuesday, Mr. Bounsall—and I'll quote him—said: "On Tuesday we will start the labour services and we have the afternoon and evening on them; and on Wednesday we do the Human Rights Commission and Labour Relations Board."

Mr. Lupusella: Mr. Chairman, can I ask just a short question before passing the floor to Mr. Bounsall?

Mr. Bounsall: On that point raised: This was the way, in general terms, we thought we could order the business. On this vote we have still to complete occupational safety, employment standards; and I would say that those employment standards, in terms of the money spent and the staff involved, might be as important as the Human Rights Commission and the Labour Relations Board. So if the committee has no objection why couldn't we complete the time that you say tonight?

Mr. di Santo: Until 11 o'clock.

Mr. Bounsall: And put employment standards on for no more than an hour—

Mr. Mancini: You were discussing with—

Mr. Bounsall: —and Human Rights Commission no more than an hour tomorrow, and Labour Relations Board no more than an hour. To me that would be a fair split of the remaining time in the estimates.

Interjections.

Mr. Chairman: Order. If we can finish, as we agreed, at 6 o'clock tomorrow night, it is quite all right.

Mr. Bounsall now has the floor.

Mr. Bounsall: We will discuss this at the end then. I'll yield a portion of my five minutes for one short question by Mr. Lupusella, then I'll take the floor.

Mr. Lupusella: Thank you, Mr. Chairman, I would like to ask a really short question.

Mr. Chairman: I hope it is shorter than the last one.

Mr. Lupusella: It is about the construction work place. I am interested to find out how many inspectors are inspecting the work places, the construction sites.

Hon. B. Stephenson: You mean throughout the province?

Mr. Lupusella: Yes, throughout the province. How many inspectors and how many work places are involved in this inspection?

Mr. Cleverdon: In my case there are 58 inspectors currently working in my part of the province under seven managers. Mr. Hendrickson can speak for his area.

Mr. Lupusella: And how many work places?

Mr. Hendrickson: In the southwestern region we have 23.

Mr. Cleverdon: And 58.

Hon. B. Stephenson: It is 58 and 23.

Mr. Lupusella: And how many work places to be inspected.

Mr. Cleverdon: On the last count there were about 7,000 under inspection.

Mr. Lupusella: Okay, there are 81 in total. I don't think, in one year, they can visit those work sites in the construction industry. I wasn't sure about this figure; I hope Madam Minister is going to take into consideration an increase in the number of those inspectors and to give them more power. For lack of time I am not able to raise a criticism about those inspectors going around the province of Ontario, while in 1974—

Mr. Chairman: We have five minutes left; I will have to ask Mr. Newman to begin now.

Mr. Lupusella: Can I have a short time, sir?

Mr. Chairman: After all we did have an agreement, and Mr. Lupusella you have—

Mr. B. Newman: Mr. Chairman, I wanted to bring to the attention of the minister an unfortunate accident that took place at Ford Motor Company back in December of last year. In the court hearings as a result of that accident, the following comment was made, and I think it incumbent upon you to amend the Act to eliminate the ambiguity. It is section 139 of The Industrial Safety Act. It was termed as being ambiguous and open to interpretation. This was as a result of the

court hearings, and I read from the press article:

"Bernhart Harder, assistant professor of English at the University of Windsor who holds a doctorate in medieval literature and linguistics, was speaking in defence of Ford of Canada Limited. The company is charged under the Act with failing to take every reasonable precaution for the safety of its employees after Donald Sprague was killed in a foundry explosion last April."

That would have been April, 1975. I think I said December, 1975; I correct it to April, 1975.

"This does not mean that we consider the Act a medieval piece of literature," defence attorney Frederick W. Knight told the court when he introduced his witness and listed his qualifications.

"The charge deals specifically with whether the seven-ton capacity ladle containing the molten metal which sprayed Mr. Sprague had been dried before it was used on the day of the accident. Company officials testified that the ladle had not been used for two days before the accident.

"The Act says 'every ladle shall be dried before use.' Dr. Harder told the court 'dried' can be taken as either an adjective or a verb in this context and said the law is open to the double meaning of drying by evaporation as well as actively being dried by company employees."

So you should specifically state in section 139 of The Industrial Safety Act what you mean by drying, whether you refer to drying by evaporation or being dried manually, because as a result of the ladle not being absolutely dry and the pouring of the molten metals, you had that type of explosion that sprayed Mr. Sprague and he lost his life as a result of that.

I bring this to the attention of the minister, hoping that her officials can look at that and clarify the Act so that at least the interpretation is extremely clear.

The next item I want to bring to your attention concerns heat within the plants. At the Chrysler factory in Windsor, I have received quite a few complaints from workers there of the excessive heat, and in the past several years the plant actually did close down because of the heat. I think there should be some heat limitations. Once the temperature reaches beyond a certain degree, then the plant must be shut down for the safety of the workers within the plant.

The workers, I understand, have complained in the past, but management said

that they are still able to work under the conditions. Now the heat probably affects the individual a little more so because of the intense humidity. You know, Madam Minister, the situation in the city of Windsor and in Essex county; because of the surrounding waters we have generally extremely high humidities in the summer months.

I make mention to you, Madam Minister, of this change in The Industrial Safety Act, or the clarification, and then also some type of restriction or guidelines or bounds within which an individual should not have to work—some temperature limits I should say.

Those are the two items I wanted to bring up within the five minutes of my allotted time.

[10:45]

Hon. B. Stephenson: Mr. Newman, thank you for bringing our attention to section 139. I can tell you that we have been looking at the problem of heat limitations within industrial establishments. It's a difficult subject, but we are attempting to explore the area as carefully as possible to see what we can do about it.

Item 2 agreed to.

On item 3, employment standards:

Mr. Bounsall: Can I suggest, Mr. Chairman, that the amount of money budgetted in item 3 of this vote is such, compared with the Human Rights Commission and the Labour Relations Board, this item of employment standards is such a large area of legislative jurisdiction that as reasonable members of the committee, the proper way to order the remaining three hours might be to give no more than one hour to each of those three remaining areas, if the committee is agreeable?

Mr. Chairman: I am quite prepared to do that, Mr. Bounsall, providing I can get the co-operation of the committee.

Mr. Bounsall: Something made five days ago, which was a plan of hoped-for accomplishment—

Mr. Chairman: That's all I ask.

Mr. Bounsall: —has ended up in a situation where employment standards would not be discussed. I don't think that's fair to that whole area. So if it's the feeling of the committee to give tomorrow, in our three hours, no more than an hour apiece, I think that would be a reasonable split of the remaining time, the time having been reached at this point.

Mr. Manchini: Mr. Chairman, if I may, we made this agreement, with myself and Mr. Bounsall and with yourself and the minister, so we could have some type of continuity here in the estimates. I was under the impression that we were going to stick by it, and certainly it is not objectionable to me if we sway from the schedule a little bit. But it seems that every time we try to stick to the agreement we made among the four of us, you know we have members of the committee like Mr. McClellan saying that we don't want to debate it, we don't want to do this or that, but—

Interjections.

Mr. Mancini: We don't find it objectionable, but we know we can't make agreements with Mr. Bounsall, that's for sure.

Mr. Chairman: I am quite prepared, as chairman, to accept this recommendation of the committee, but I also ask for the co-operation of the committee, because tomorrow at 4 o'clock when we decide to go to another vote, I don't want another discussion for 15 minutes.

Interjections.

Mr. Chairman: The committee will meet after the question period tomorrow.

The committee adjourned at 10:49 p.m.

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Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
LABOUR

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, November 10, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

WEDNESDAY, NOVEMBER 10, 1976

The committee met at 3:10 p.m.

ESTIMATES, MINISTRY OF LABOUR (concluded)

Mr. Chairman: On vote 2204, Labour services programme; item 3, Employment standards: I would like to remind the committee of the commitment which we undertook last night to spend equal time on the next three votes. I would also like to remind the committee that it is only fair that each party should have equal time in the discussion of these votes. Mr. Bounsall.

Mr. Bounsall: Thank you, Mr. Chairman. In discussing this there is The Employment Standards Act and the jurisdiction of the branch is so fractured with the various things—termination pay, pregnancy leave and so on—that I wonder if I should make my opening remarks—I have concerns about several areas—all at once or would you and the ministry officials prefer to respond to one point at a time? They are so diverse that I would be quite willing to pause and let the responses come at the appropriate time if that is agreeable. Fine.

This is the Act which, in my opinion, affects one way or another the majority of workers in Ontario, those two-thirds who are not unionized. Certainly, the minimum standards that apply here are the maximum standards under which they work. This Act is a very important one and affects the majority of workers in Ontario. Some of the provisions of this Act are the basic provisions which occur and accrue to all unionized workers so in terms of affecting the day-to-day provisions and life of the worker in the work place, this is the most important Act.

There was an amendment to this Act in the fall session of 1974 but it did not do very much. It basically reorganized the Act from an administrative point of view and allowed the provisions in this Act to be more easily administered. It was good and forward-looking in that respect but only from an administrative point of view. The content and

the conditions that it imposes upon workers and employers were, by and large, not really touched in that Act.

The penalties and fines for offences were increased and agricultural workers were removed from exemptions for holiday and vacation pay. You cancelled transportation home after midnight or between 12 and 6 for female employees. The only time there has been an inequality between sexes in an Act, you have acted to abolish the provision rather than extend it to both sexes. It is a step backward in that respect. You extended the pregnancy leave to match with the UIC provisions. They were virtually all fairly minor steps and the real problems of the Act were not looked at and dealt with and of the changes required at that time and since that time, none has been worked on.

I want to refer to the statements made last year in estimates—to be exact on November 13, 1975—when the present minister said, “I will tell you now that legislation regarding termination will be presented to this House in the spring session.”

We haven’t seen it. Later on in the same estimates the then deputy minister said, “I want to make it clear that the review we are making of this admittedly seems somewhat prolonged. We have concluded that with respect to that”—he is referring to termination—“it really needs a fresh look. It is not a matter of patching up what we have and changing some of the time limits and that kind of thing. As the minister has indicated, we expect to bring forward recommendations to her early in the new year.”

That was a direct reply about the termination provisions in The Employment Standards Act which I have outlined in detail many times and in last year’s estimates at some length. This was the reply we received at that time.

[3:15]

Certainly, the termination pay provisions which pertain need drastically to be updated. At the present time if a person has worked less than two years the Act provides only one week’s notice or pay in lieu thereof,

rather than the one month which it should be and which other jurisdictions in Canada have adopted—one month's notice or pay in lieu thereof. In most jurisdictions, it is after one year, not two years. Under the present legislation an employee working for two to five years gets only two weeks; that should be two months. A person employed for five to 10 years, four weeks; that should be four months. For 10 years or more in this Act we have eight weeks; it should be six months. I have gone into this so often I get tired of going into it.

In the whole problem of mass layoffs it is required that there be 50 or more employees; other jurisdictions such as Quebec have 10 and I could never see why it should be as high as 50. There should be a provision which states that 15 probably is the appropriate number. We are not going to quibble over 15 or 20. We should perhaps even aim for Quebec's 10.

There are all the problems involved with terminations which occur during a strike and for which companies are now exempt. In the famous case of Acme Screw and Gear it looked very much as if it used the strike to enable it to terminate so it wouldn't have to pay the termination pay.

There is the whole problem with companies which go bankrupt when there is therefore no money with which to pay the termination as requested under the Act. You were going to—you have been doing this for two or three years—sit down and have talks with Unemployment Insurance to see how this might meld with their plans.

There is a basic difference in philosophy here. We say that when an employer has to terminate or feels it has to terminate for whatever reason—some of those have been proved in the past to be rather phoney—it would be required to pay. In terms of choosing between employers giving notice or payment in lieu thereof, this should be a responsibility of the employer.

Why should we sit back and say, "UIC is going to take care of it. Public funds have to go into UIC so this is all right"? What we are allowing to happen is that the taxpayers of Ontario are being ripped off. The employers of Ontario should be taking that responsibility but we are sitting back complacently and letting that happen. I know you have had problems with the federal government in terms of melding it with the UIC scheme but if that is not working you should say, "Okay, we will make the termination provisions what they should be under our Act."

I know you have had problems with the federal government in terms of ordering the workers' pay in the proper priority with respect to bankruptcies; I gather they still stand third. That is no reason, as we have argued in the past, that there should not be set up, for those relatively few companies which terminate in the province in any given year, a termination pay fund so that at least termination wages are paid. There are examples of workers coming to work and on that day finding the job has terminated with problems about getting moneys out to them and so on. A small fund should be set up and we have suggested ways this could be done in the past.

I don't want to go over all of the points again. I have touched on the major areas. I have spoken on it at length in the past. We were told the report was coming to you early in the new year and last year you said that legislation was to be coming forward this spring. There are sufficient differences in all of the sections in The Employment Standards Act that you don't have to sit back and decide we are not going to bring in a termination pay amendment bill until we have our minds made up on six other sections of the Act, all of which need changing. You shouldn't be delaying it because all of those are separate and distinct and are not interlocking provisions. At any given time, should you decide that we have enough information to make a change at this point, you can bring that bill in and you can make that change because what you do in termination does not affect what you are going to do about the hours of work or the point at which overtime hours start.

You mentioned in your opening statement that within your ministry decisions are reached rather democratically; you have many meetings at which the people involved sit around and talk about the proposed changes. By and large, I would take that to be a good method of operating within any ministry with respect to decisions being made but it looks as though in this case, with that information we were given a year ago, someone or one or two people in your ministry must have been effectively able, in all those discussions which took place, to stop a decision from being made and the proper legislation being brought forward in this area.

It would be interesting to know just how that was stopped, why that legislation isn't before us. I don't think you can slough it off again by saying we haven't been able to get the federal government yet again to do any-

thing about its UIC changes and we haven't been able to get the federal government to amend its bankruptcy Acts. It's clear the federal people are dragging their feet in this area; we may never get it. This is no excuse for not proceeding now to deal with the obvious problems there are with that termination pay section.

I have other remarks but I would like a response on that separate topic.

Hon. B. Stephenson: The information which was developed about the sections you mention in The Employment Standards Act unfortunately didn't reach us early in the new year. A good deal of research is being done in this area, particularly in the area of terminations. We have not finalized our deliberations about this subject at this point because there are a number of factors involved, some of which you've mentioned, some of which we will never have resolved at the federal level obviously. We are in the process still of considering this, to see whether we can do something actively in support of the workers in this specific area.

Mr. Bounsall: It is so long overdue that I'm not going to ask at this point when we might expect a programme. I am not even going to ask that.

Hon. B. Stephenson: I don't think I can promise you we'll bring it in this session.

Mr. Bounsall: I am not surprised, with the way in which this has gone in the past. It seems to me, really, that with the type of response and the urgency which was expressed last year, particularly by the then deputy minister, that should have been forthcoming and dealt with long before now. It really cries out for revision of all those problems which are well known and well documented in your ministry with respect to this provision.

The other one I want to speak on again is overtime hours and overtime pay. Time and time again—I don't know which group within your ministry is stonewalling over changes in this area. When overtime is voluntary—provided you get a reference to that in your union contract, because of an unfavourable Labour Board decision made some years ago, and it doesn't work unless that phrase is placed there—unionized workers in Ontario are required to work 48 hours and all others, 48 hours.

I can never remember whether we are fifth or sixth of the jurisdictions in Canada where overtime is voluntary after 48 hours; by and large the others have it after 40. It

would be an employment-producing measure to have that reduced to 40 at a time when we have close to 700,000 workers unemployed in Ontario.

In many instances additional workers would be employed if overtime became voluntary after 40 hours rather than 48 hours. As for those companies which say "We are going to have to close our doors because people will walk out after 40 rather than 48," it's been my experience, in the industries I know, that that cry is by and large a phoney one. There are usually enough workers to take those extra hours. The percentage in some cases may well be that one-half of the work force allows overtime work to be done but at the present time you are forcing all employees to work those extra eight hours with no recourse. Many of them do not want to work those extra eight hours. It's not only because of their physical capacity—strength and age—that they do not want to work 48 if they can work 40; they are also conscious of the fact that if they weren't working that overtime there would be employment opportunities for younger people in our work force. It just isn't all a simple selfish reaction to the amount of hours required. There is a fair degree of concern about the overtime work which they are required to do, as they see segments of our population not being able to get jobs.

The other companion part to this is the overtime pay after 44 hours. If we are not tied for sixth in the overtime hours, we are tied for sixth with overtime pay. Many other jurisdictions have in fact reduced it to 40 hours, while we sit at the 44. Although that was one of the changes made in the fall of 1974, from 48 to the 44, there was no real excuse at that time not to reduce it to 40, and that should still be our goal and that should be achieved immediately.

In that regard, it was interesting to note this morning's story in the *Globe and Mail* that the government is exempted from the provisions of The Employment Standards Act with respect to its employees, and that the Chairman of Management Board (Mr. Auld)—

Mr. Haggerty: They establish good policies, don't they?

Mr. Bounsall:—says that as a moral principle those persons who are not full-time civil servants should in fact be paying for those non-unionized persons—of which the numbers are growing steadily, those on contract, those on part-time—he feels that overtime pay should start after your 44 hours.

But the point about this is that you have an Employment Standards Act which sets minimum standards for workers across Ontario, the major point is why should any government worker be exempt from those minimum standards. Those represented by OPSU are well represented, but you have an ever-increasing number of people who are not full-time workers, who are not covered by the union contract, and why there should continue to be a provision under The Employment Standards Act whereby they are exempt from the provisions of The Employment Standards Act is simply appalling in this day and age, Madam Minister.

Mr. Grande: You should take the lead.

Hon. B. Stephenson: Did you want me to respond right now?

Mr. Bounsall: Yes.

Hon. B. Stephenson: Mr. Chairman, I am informed that in fact the number of workers on contract is decreasing not increasing, in the first place. Secondly, the employees in this situation are paid basically for hours of work performed, and the ministries are invoiced for the labour cost by the commission.

The employees do receive four per cent for vacation pay and four per cent for statutory holiday pay, and this has been thought to offset the requirements of the legislation as far as the cost of the seven statutory holidays is concerned, which is usually at about 2.8 per cent.

Normally apparently, these employees work an average 36.5 hour week, but indeed some of them have worked more than 44 hours. I am informed as well that the Civil Service Commission has prepared a letter to go to all ministries advising that such hours must be compensated, the hours beyond the usual hours of work, at the rate of 1.5 times the employee's regular rate for every hour so worked.

Mr. Bounsall: Well it should be 40, is my other point and I would like you to speak to that; but you know the provision which by and large exempts the government workers from The Employment Standards Act should not be there. They should be covered.

On that one other point that you brought up, about the four per cent: I have had queries from people who have been hired by the government or by some of your Crown agencies on short-term, it could be a year or two's duration on the contract; they go in and they talk about money, or a salary

is advertised, and then when they get their contract to sign surely the figure that's been mentioned there, \$9,200 per year for a two-year agreement and all the rest of it, the figure they have talked about all of a sudden has a comment after it, "including your vacation pay."

I gather that's being allowed by the employment standard branch, that government is allowed to do that; but the figure they talked about as being their salary, is in fact decreased by four per cent in effect; because when they get their sheet they find they are being asked to sign and agree to that figure that they've agreed to and talked about but, comma, "including vacation pay." has been added. So in fact what you do is negotiate a basis of salary which seems reasonable, and then when they get their contract to sign they find that that amount that they were talking about in fact is now going to include their vacation pay.

[3:30]

That's something that should be stopped. If it's going to include vacation pay, and I gather you have the right to have a contract of that sort, at least it's been allowed, then it should be very clear at the time of the recruitment and advertising and everything else that that is the base rate, and that including the vacation pay is an addition to that and they should not be asked to sign a contract based on the figure they've been talking about, which they now find, at the time of signing the agreement, is in fact going to include the sum total of that, of their vacation pay. We're doing them out of four per cent.

Hon. B. Stephenson: That allegation I can't verify, but I shall most certainly investigate to find out whether it is happening or not; and we'll see what we can do about it.

Mr. J. Scott: The wage does not include it at four per cent; that four per cent is additional to their wage.

Mr. Bounsall: Not the way it's operating in some of the instances I've got here.

Mr. J. Scott: Well it is supposed to, because I personally—

Hon. B. Stephenson: That's what I said, we certainly verify that allegation, because that's not the way it's supposed to be done. But we'll investigate to see whether indeed it is happening.

Mr. Bounsall: Let me modify that just slightly: That may not be how it's being done directly by government; but there are other agencies associated with government to which that provision applies. The provision allows them to have their contracts that way.

Mr. Scott knows the situation to which I am referring, the St. Clair College one, where they feel that provision—I wrote you on this some six or eight months ago I guess it was—the teachers, because of the fact they are considered to be public servants if not Crown employees—Crown employees I guess—allows them to write that sort of letter. In point of fact in that particular agency the salary talked about, when that came to them in that letter was to include their four per cent vacation pay.

It's perhaps the Crown agencies, or those other workers who would fall under that provision of The Employment Standards Act which allow this. Our agencies out there are in fact incorporating into the base pay, by that type of letter going out, the four per cent vacation pay. It may not be happening directly with government employees, but it is other Crown employees to whom that would be happening.

Hon. B. Stephenson: We shall investigate it soon.

Mr. Mackenzie: Madam Minister, a point of clarification on a comment you made on contract workers: I took it that you were now going to apply, overtime provisions for example, to contract workers?

Hon. B. Stephenson: The Civil Service Commission is responsible for this activity and it's my understanding that the commission has notified all ministries that indeed they are to compensate contract workers on the basis of time and a half for overtime beyond the hours usually worked. But they are also suggesting that none of the employees be asked to work more than 44 hours in one week.

Mr. Mackenzie: That's exactly the point I want to make. If that contract worker is regularly working say 37½ hours, and the overtime is beyond that, would the overtime be paid beyond the 37½ hours?

Hon. B. Stephenson: That I can't tell you.

Mr. Bounsall: No; they'd go according to the Act and say the minimum standard in Ontario is 44. We wouldn't think of asking Crown employees or these part-time people

to take any more than the minimum standard at 44. It should be 40; the overtime hours should be those beyond 40, Madam Minister.

Mr. Haggerty: If there is a contract—

Mr. Shore: We like to abide by the rules on both sides.

Mr. Kerrio: On a point of clarification: How do you consider vacation pay, as a bonus?

Mr. Bounsall: No, it says right in the Act, that you either have the vacation or you get your four per cent vacation pay in lieu thereof.

Mr. Kerrio: No, but when you're considering a salary, isn't it reasonable to consider that vacation pay is part of the salary?

Mr. Bounsall: No. That's in addition to your salary.

Mr. Kerrio: No, I'm asking.

Mr. Bounsall: No, that's an addition to the salary; always has been so considered by reasonable people.

Mr. Kerrio: Then it's a bonus.

Mr. Bounsall: If you don't get your two weeks' vacation you should get the four per cent in lieu thereof.

Mr. Kerrio: That's the simple question that I asked; and you've answered my question, it's a bonus.

Mr. Haggerty: I wouldn't call it a bonus.

Mr. Kerrio: Well it must be, it's not considered a part of the salary. You can't have it both ways.

Mr. Bounsall: It's a normal working condition. One would hope that they get the two weeks' vacation rather than the four per cent but in many cases the four per cent comes out.

One other point, and I'm conscious of the time constraints on this Mr. Chairman. There are other areas that really need going into. For example, the exemptions that are still allowed under the Act, which you haven't solved yet, the salesmen, the domestics and that whole other group which are not covered by the Act. There's been some movement with respect to the agricultural workers, at least the part-time ones, which is useful. The exemptions still need careful looking at and the rationale for why they're there should be

carefully gone into. On most of them there can't be a rationale.

I want to speak very briefly about one of your summer employment programmes, the data for which was needed and should be gathered as it affected the employment standards branch; I refer to the one in which working conditions, overtime hours, pay rates and so on in the construction industry were surveyed this year. I would like a report as to the use to which that's going to be put and how useful it is. I commented at the time that this was a much less useful programme to the ministry than the one which you ran a year ago last summer, which provided summer student jobs for inspection in the construction industry, on which the ministry officials who were involved in that programme were extremely high.

It allowed inspections to take place in the construction industry which wouldn't have taken place. It allowed many of the small companies to be inspected, which wouldn't have normally have had inspection, at construction sites that wouldn't normally have gotten it. It was a very valuable part of the programme; charges were laid and conditions corrected as a result of that previous summer programme.

That's the summer programme which would have been more useful than the one which was run this year. I would hope the ministry would fight very hard to reinstate it. I would like some information on the one that was run, which I find to be a little less useful, generally—useful in some ways but not as useful as the previous one.

Hon. B. Stephenson: It's my understanding that even in this past summer there were some summer students on the inspection programme.

Mr. Bounsall: Well it wasn't a normal programme, with the 60 or 70 students, which was found very useful.

Hon. B. Stephenson: Yes, right.

Mr. Bounsall: It got lost in the shuffle or dropped.

Hon. B. Stephenson: Didn't we have two summer programmes in employment standards for students this year?

Mr. J. Scott: Inspection was under the construction industry.

Hon. B. Stephenson: It was under the construction safety.

Mr. J. Scott: We had our own going; it is a programme where we gather data from

wage rates, and so on, for the purpose of determining fair wages and wages for use in industrial standards schedules throughout the province.

Hon. B. Stephenson: But that was not limited to the construction industry.

Mr. J. Scott: It was, yes; last year.

Mr. Bounsall: How useful have you found that data? Could I ask that type of question? I suspect in terms of construction concerns and needs, the inspection one was a bit more directly useful, even though one can always use information.

Mr. J. Scott: Employment standards had nothing to do with the inspection on site, Mr. Bounsall.

Mr. Bounsall: I understand that.

Mr. J. Scott: The one that we are engaged in is to gather data on wage rates for the purpose of establishing wage rates on fair wage schedules that apply to government contracts. We also make use of that, or will make use of it, when we're enacting industrial standards schedules under The Industrial Standards Act for various trades, all of which are in the construction industry. That's the purpose of gathering this data.

What we did in the past was make use of wage rates from the federal government, which we found were not suitable for our purpose. Their wage rates in the main are determined strictly from the collective bargaining area and the commercial, and they don't recognize that there are differences, for example in the residential field where the wage structure is inclined to be lower in some areas. That's the purpose for which we're engaged in this, for our own needs.

Mr. Bounsall: Do you feel that you would have to survey that area again next summer? You've done a survey, got facts—

Mr. Skolnik: I can answer that.

No, we feel that it would not be very efficient to survey the construction industry next summer, because next summer will be a heavy period of bargaining and the survey would only pick up rates which were in existence prior to the round of bargaining. The rates would become obsolete shortly after the survey. So we would use those students to collect information in other industries where we set fair wages, such as in contract cleaning and janitorial services, and indeed that's the plan we're working on now for the students.

I might add that whether it's construction or the other industry, there is no alternative source of this information. Very detailed information is required. Wages for 21 trades, by about 12 types of construction, and over 20 different zones of the province. So it requires a large survey if you want the information; and this year, we surveyed over 8,000 employees.

Mr. Bounsall: Just a final point; you should be fighting hard to get that construction inspection back into your summer programme.

Hon. B. Stephenson: I would not like to see it limited to construction inspection.

Mr. Bounsall: Or expand it to both.

Mr. Chairman: I have the following speakers: Mr. Haggerty, Mr. McClellan. I would advise that we have a little over 20 minutes left. Mr. Haggerty.

Mr. Haggerty: How much time is provided?

Mr. Chairman: Mr. Bounsall has now taken about 21 minutes.

Mr. Kerrio: You can run out the clock.

Mr. Haggerty: I have got to do some running, then. I want to follow similar lines that the member for Windsor-Sandwich has. Considering the matters of overtime, The Employment Standards Act, the 44 hours a week; on a number of occasions, as the member has previously said, we have discussed this with previous Ministers of labour and, hopefully thought there would be some changes coming in this direction. I think if the Minister of Labour was working in industry—and I can cite a number of places on the Niagara Peninsula,—perhaps she should be there to get a taste of the threat from management which tells them they are going to have to work beyond the 40 hours a week. And it is a threat; if they don't work, they are going to be dismissed. I am not beating around the bush, that is a true statement.

You have 44 hours a week now in The Employment Standards Act; it should be down to 40 hours a week. When you look at the number of unemployed persons in the province of Ontario, you could be creating additional jobs. There are men, for example, at General Motors in St. Catharines, working seven days a week, 12 hours a day, since last August. They are tired.

Hon. B. Stephenson: In what industry?

Mr. Haggerty: In the automobile industry in St. Catharines and at Stelco at Welland,

which manufactures pipes. They are working seven days a week with all kinds of overtime. They will not put a third shift on. And yet, there could be jobs provided. There are people waiting to be employed in the province of Ontario.

Hon. B. Stephenson: Are there permits for that?

Mr. Haggerty: And what I detest mostly about the present Act is that you as the Minister of Labour will sign an agreement with industry saying that you have to work 48 hours a week without any consultation with the employees themselves. That is like sticking a knife in the back and twisting it, harder and further all the time. I don't think they should be allowed. If the agreement says 40 hours a week, by all means the employees should work the 40 hours a week. We already have the automobile industry going for 32 hours a week. They were heading for that in this latest agreement.

Mr. B. Newman: Four eight-hour days.

Mr. Haggerty: If they win at the next bargaining table, in a sense it isn't being fair to the other employees throughout Ontario that they should be working 32 hours a week and some have to work 48 hours; there is no justice in this system at all. And this is where you should be involved to set some type of justice in the number of hours in the province of Ontario. I think it is your responsibility as Minister of Labour to bring in some uniformity in the hours of employment.

I know you are going to tell me that 44 is n't enough, but that is not it. When they go to the bargaining table and bargain for 40 hours, that should be it and they shouldn't have to be forced to work overtime—and many persons employed in industry today are being threatened that they will be dismissed if they don't go along with management.

I think there is a lesson to be learned also in the number of hours that a person has to work overtime. It has been proven by other countries that there is a higher risk of injury, that the person becomes tired, restless and careless, which increases the number of injuries in industry. All you have to do is look at the number of workmen's compensation claims that are being filed day after day. You can see it almost related to the Ham commission study in the Sudbury basin—the question of incentive production and the hours of overtime to get it—in that it has

caused a number of accidents. Accidents can be related to it.

[3:45]

I think seriously if you want to reduce the number of accidents you going to have to cut down on the number of hours in industry. As I said, in many cases a foreman comes up and demands that you either work or be dismissed. I suggest that perhaps that some more direction should be coming from the minister.

If you want to answer that, I have got other ones here that I want to continue with.

Hon. B. Stephenson: It is my understanding that in a contractual situation, no permit can force a worker to work overtime.

Mr. Haggerty: You tell that to management.

Hon. B. Stephenson: Overtime can only be carried on by a worker if he agrees to do it because that is a part of the agreement.

Mr. Haggerty: That is not so. That is the point we are trying to get through to the minister. When you sign that agreement for 48 hours a week, you can tell him to work an additional eight hours or more. Look at the construction industry and highways, for example—road building. It is not 44 hours a week, it is 55 hours a week.

Mr. Radford: The difference is the difference between excess hours and where a person gets paid premium pay. What is often negotiated is the hours after which premium pay is paid, which could often be over 40 and they are now talking about 36 and 32. In addition, also negotiated—and you are talking about the automobile industry which is over 90 per cent unionized—are the additional hours that a person can work or will be required to work if it is an agreement in the contract. In many cases, it is a voluntary agreement and this is why you get some employees working lots of excess hours because they are the ones who volunteer every week.

But the limit of The Employment Standards Act says nobody can work over 48 hours a week without certain circumstances being met. That is the agreement we talked about where a company said, "you work over 40 hours and it is in our contract that the management has the right to ask for overtime," and the judge said: "Yes, up to the limits of The Employment Standards Act." But they have negotiated those excess hours. In many cases as what they call voluntary overtime rather than excess hours. What they are

really negotiating is, where premium pay is going to be paid, after what time do they start getting time and a half, not actually how many hours that they are going to work.

Mr. Haggerty: This is right. This is where time-and-a-half or double-time comes into the picture. But there are many persons who have very little choice in the matter. They are told that they have to be there or the job will not be there. They demand that. You still have that agreement, do you not? You signed an agreement with industry for 48 hours a week.

Mr. Radford: We give them permits.

Hon. B. Stephenson: A permit can be issued on an application.

Mr. Haggerty: How many permits do you issue today?

Mr. Radford: It is only for hours over 48 hours.

Mr. Haggerty: How many permits have you issued?

Hon. B. Stephenson: But it is hours after 48 hours.

Mr. Haggerty: Have you issued them in the cases of General Motors and the Steel Company of Canada in Hamilton?

Mr. J. Scott: I haven't a breakdown on that, but in the past year 100-hour overtime permits were issued in the amount of 300—to 300 employers in the province. That is, 100 hours of overtime in a year for an employee beyond 48. In addition to that, there were special overtime permits issued in the amount of 380. Now with a special overtime permit, they must justify to the ministry why they need that permit, why they can't get other help, why they can't employ other help on the premises. Sometimes, it is physically impossible to bring in an additional crew. It is not always possible to do that.

Mr. Haggerty: But do you realize the hours that some of these men are compelled to go through, 36 hours straight around the clock?

Mr. J. Scott: I am not aware of 36 hours straight around the clock. This is not a new issue to us. We have audited wage records of some of the larger employers, particularly in the automobile industry, in the years past. As Mr. Radford has pointed out, what you find is that it is the persons who work the overtime want to work the overtime and

they are entitled to do it because of their seniority, and they accept. They are not forced. You generally find that they claim an excessive amount of overtime, but they consider it an excessive amount of overtime beyond 40 and not beyond the statutory limitation of 48.

Mr. Mackenzie: How many permits were denied?

Mr. J. Scott: I don't have any record on that.

Mr. Haggerty: Do you consult with the union or the employees themselves before an agreement is signed between the Minister of Labour and management? You just have your dialogue with the management, you don't consult any of the employees?

Mr. J. Scott: We ask management to give us information. Let's look at the special overtime permit. We're knowledgeable of the fact that that employee by law, by the Act itself, can refuse to work those hours. So we do not consult with the employee.

Mr. Haggerty: Shouldn't you, though? Shouldn't they have their input into the matter?

Mr. B. Newman: It's his health and safety.

Mr. Haggerty: That's right.

Mr. Armstrong: I'm sure members understand this, but perhaps it should be understood that under section 20, subsection 3, of The Employment Standards Act the issuance of the permit allowing hours in excess of 48 does not require the employee to accept those assignments. In fact the Act is quite explicit in saying that nothing with respect to the issuance of a permit requires the excess hours to be worked. It enables the employer to ask that those hours be worked but the section specifically gives the employee the right to refuse.

Mr. B. Newman: His or her job is not in jeopardy on this?

Mr. Armstrong: The permits are quite literally permissive; there's nothing mandatory. Once the permit is issued, there's nothing that requires the employee to comply with the employer's direction to work over 48 hours.

Mr. Haggerty: Perhaps you should have The Employment Standards Act put up in all work places so that the employee is aware of it.

Mr. Radford: They are supposed to post permits. The permit says that.

Hon. B. Stephenson: Any permit which is issued is supposed to be posted in the shop in a conspicuous place for all of the employees to see.

Mr. Haggerty: I'll get that information.

Mr. B. Newman: Have the union change that section.

Mr. Haggerty: The member for Windsor-Walkerville suggests having the union try to get it changed. He's right, but I think they have been trying to get it changed from 48 to 40 hours a week.

Mr. Bounsall: You are stuck with 48.

Mr. Haggerty: We can always send copies of Hansard back to them and they can judge themselves accordingly.

The other matter I want to ask the minister about is the matter of the Waisberg report. I think there were 17 recommendations in that report. How many of those recommendations have been accepted by your ministry, and how many will be implemented into legislation?

Mr. Bounsall: That's not on employment standards.

Hon. B. Stephenson: No, it's not employment standards.

Mr. Chairman: We're discussing employment standards, Mr. Haggerty.

Mr. Haggerty: One particular section—I don't have it with me—relates to employment, that is, hiring practices, and that comes under The Employment Standards Act.

Mr. Bounsall: No, it doesn't.

Hon. B. Stephenson: No, it doesn't. No. To my recollection none of the Waisberg recommendations is involved with The Employment Standards Act.

Mr. Haggerty: I thought perhaps they were, when it came to hiring practices.

Hon. B. Stephenson: Hiring practices is not part of The Employment Standards Act.

Mr. Bounsall: It might be human rights.

Hon. B. Stephenson: It might have some implications for it.

Mr. Armstrong: In addition to that it may properly come up under the Labour Rela-

tions Board because, with respect to hiring laws, there was an amendment made to The Labour Relations Act that you may be aware of, enabling the board to deal with discriminatory practices in hiring laws, which flowed directly from the Waisberg report. With the exception of that provision I don't think there's any provision that would come under this.

Mr. Haggerty: That's done by regulation then is it?

Mr. Armstrong: No, that's an amendment to The Labour Relations Act.

Mr. Haggerty: An amendment to the Act itself?

Mr. Armstrong: Yes. Another one under The Labour Relations Act is the financial accountability with respect both to general funds and to welfare trust funds. I think members are correct that both those matters come up under the Labour Relations Board, not, so far as I'm aware, under The Employment Standards Act.

Mr. Haggerty: I suppose I can get it under the next vote and that's the Ontario Human Rights Commission.

Mr. Chairman: Have you completed?

Mr. Haggerty: Yes.

Mr. Chairman: We have Mr. McClellan, Mr. Newman, and Mr. Lupusella.

Mr. McClellan: I wanted to bring up again another aspect of the cleaning industry. The more I look at the cleaning industry, the more I'm beginning to think it's one of the sleaziest parts of our economy and that your ministry ought to really pay some attention to the industry as a whole in a number of aspects. The point I wanted to raise was the subject of a special inquiry that I think the OLRB held for your employment standards branch and it concerns the question of people who purchase cleaning contracts—so-called—from contract holders.

Let me tell you briefly a story about a constituent, who I referred to Mr. Scott. My constituent bought a sub-contract from Majestic Cleaning Services to clean an office building. The total purchase price was \$4,112; they paid \$1,175 cash and \$587 a month in instalments, plus two per cent interest on the total amount, plus 10 per cent a month administrative costs.

In return for this so-called purchase, they were to be paid \$1,250 a month for cleaning the building and they were paid directly by

Majestic Cleaning Services, not by the principals of the building they were cleaning. They worked for almost a full year from April, 1975 to February, 1976. They were only paid from April to September 1975, at the rate of \$1,250 a month. After that they didn't receive a nickel.

They're Portuguese immigrants and they are one of a number of people who have been victimized in precisely the same way and that was the subject of the hearing. The purpose of the hearing was to determine whether these kinds of people who are being ripped off in this way are covered by the Employment Standards Act. I would hope that we have a decision and I would hope very strongly that the decisions would be that these kinds of folks are covered by the Employment Standards Act.

So I'll ask firstly whether that decision has been reached and whether my constituent, whose name I don't want to put into the record but whose name has been given to Mr. Scott, have been awarded coverage under the Employment Standards Act?

Secondly, before you respond, what distresses me as much as anything else is that in September, 1975, which was the last month for which these people were paid by Majestic Cleaning Services, they went to the Ministry of Labour. They went to the storefront office on College and Augusta and said: "What are we going to do? There have been delays in getting paid and we've had hassles about getting paid, and we think there's something wrong and we haven't been paid this month." They were told that the Ministry of Labour could do nothing and that they should go to the Portuguese Consulate for redress of their grievances.

If I had the time and was in a sufficiently ugly mood I could make quite a demagogic speech about how inappropriate it is for a government of Ontario to deny services to residents of this province—whether they are citizens or not—who are being victimized in this way. I just want to draw this to the attention of the minister, so that she can make sure that that never happens again. When somebody in this or any other kind of situation, whether they are a Canadian citizen or a landed immigrant, goes to an office of the Ministry of Labour, she should see they get service, they get attention.

Hon. B. Stephenson: To my knowledge we've never had an office of the Ministry of Labour at College and Augusta.

Mr. McClellan: The storefront office.

Hon. B. Stephenson: Is that the Human Rights storefront at College and Augusta?

Mr. Brown: That one's been closed, though.

Mr. McClellan: It wasn't closed in September, 1975. Regardless, I don't want to belabour the point. I just want to point it out to you and express a real concern that that kind of thing never happens within the Ministry of Labour or the Human Rights Commission. If somebody comes there for service, they should get service.

[4:00]

So if I can go back to my first question, around whether you've made a determination with respect to my constituents and the other people who had similar contracts with Modern Cleaning Services and whether they're entitled to coverage under The Employment Standards Act.

Mr. J. Scott: Is that Majestic or Modern you're talking about?

Mr. McClellan: Have I been saying Modern?

Hon. B. Stephenson: You've just said Modern now.

Mr. McClellan: I'm sorry, that's another issue; Majestic Cleaning Services.

Mr. Armstrong: The Majestic case, as I think you indicated, was subject to a reference under section 51 of The Employment Standards Act; the referee was a vice-chairman of the Labour Relations Board, Mr. Burkett. He's held one hearing and I believe another hearing is scheduled. No decision has been reached. The issue, as again I think you indicated, is whether these people are employees or independent contractors and if the determination is they are employees then, of course, they're covered by the provisions of the Act. We await a decision on that question.

Mr. McClellan: I understood the hearings were completed.

Mr. J. Scott: We certainly haven't got an opinion anyway.

Mr. McClellan: The hearing has been completed and we're awaiting a decision; is that right?

Mr. Armstrong: We certainly haven't got a decision. Whether or not another day's hearing is required I do not know but a decision has not yet been rendered.

Mr. McClellan: Okay. I just wanted to bring that to the minister's attention as an item of profound concern and to express the hope that there will be a positive decision. If there is a negative decision you'll have to address yourself to that problem and find some other ways of remedying it, but we can await the decision. If I may take a minute to deal with one other subject which relates to the labour dispute at Browndale which we've already talked about in the House. One of the really distressing things about Browndale and about the status of child care workers in group homes across the province is the amount of overtime that seems to be extracted from child care workers in Browndale, Viking Homes and in a number of other facilities. I'm puzzled as to whether there are some kinds of exemptions for child care workers under The Employment Standards Act—it is clearly the practice at Browndale to require up to 100 hours of overtime per week. I want to know whether there is an exemption or whether we're just dealing with lack of enforcement.

Hon. B. Stephenson: We've been having meetings about Children's Aid Societies, Browndale and Viking Homes trying to resolve this problem because it is a specific problem related to child care workers. The one my people have met with primarily has been the Children's Aid Society workers. Is there a specific resolution to that problem at this time? Not as yet but we're—

Mr. McClellan: Mr. Chairman, I can't hear what the minister is saying.

Mr. Chairman: Order, please.

Hon. B. Stephenson: This problem is one of which we are acutely aware and we're attempting right now to bring some resolution to it.

Mr. McClellan: How soon might we expect—I suppose all we're asking is normal treatment of child care workers. It's really very harmful and dangerous for the kids in care—as I'm sure the minister realizes—if the workers are—what else can I say?—subjected to that kind of exploitation. It does no good for the kids and it does no good for the workers.

Mr. Haggerty: Your leader asked the question in the House.

Mr. McClellan: The question is around time and when we might expect a redress of this.

Hon. B. Stephenson: Could Professor Adams who's been involved in this—since he's been involved in the discussions perhaps he can give you some idea about the time.

Mr. Adams: The question of how long a child care worker should work and what number of hours, when surpassed, is harmful to the relationship is a matter of debate even within the social working community. That is, should the child care worker spend an entire 24-hour period in the house with the child and developing that continuity, or should the child care worker work regular shifts and bring somebody in who's fresh and so have variety.

I think there's some debate within the child care industry as to what's the appropriate model. Let's assume you take the continuous hours model as the one you need; that is, the child care worker should be in the house for 24 hours. The question is how do you fit that model into The Employment Standards Act which assumes it's an eight-hour day, 48-hour week sort of traditional schedule of work. There's some difficulty fitting it into the Act.

There is a regulation which permits averaging; that is, you can work an accelerated number of hours in the course of a week, with the agreement of the employee and average it over two weeks. As long as that two week average fits within the 48 hours a week or eight hours a day you have complied with the Act. Some child care institutions work on that basis. The employees have agreed to a two-week averaging provision and that allows them to work three days or four days on and four days off.

There is some debate now in a number of institutions like Children's Aid as to whether the employees have been specifically requested to work but they don't really agree to it or whether they have an overtime agreement. We are in the process of trying to resolve that situation and it may have to be referred to a referee. We are in the middle of looking at that.

Other child care institutions haven't complied or it appears they haven't complied with the legislation. Assessments have been made. There have been appeals. There is a case, Viking Homes, which is now being heard by a referee and it's argued by the employees that there has been non-compliance by the employer.

Mr. McClellan: I realize the time constraints. Let me conclude by saying this needs to be done on an interministerial basis. If you arrive at a solution which is rational

and makes sense in treatment terms you are going to have to deal with the issue of wages. That means you are going to have to consult with your colleagues in the Ministry of Health and the Ministry of Community and Social Services about bringing child care salaries up to an adequate standard. That's the other side of the coin. People are not only being asked to work enormously long and strenuous hours but they are being grotesquely underpaid.

I would ask you to look at the whole picture when you are addressing yourselves to this and to work with your colleagues to come up with a solution which deals with the issue of wages. That means the issue of per diems and purchase of service costs as well as the issue of hours.

Mr. Chairman: The time we agreed to spend on this item has expired. We have Mr. Newman and Mr. Lupusella.

Mr. B. Newman: I won't be too long, Mr. Chairman.

Mr. Chairman: Okay, but make it short, if you can. You'll be the last speaker if we are going to carry out our agreement.

Mr. Lupusella: Just five minutes.

Mr. Chairman: We have had 29 minutes from your colleagues and 10 from the Liberals. Are we going to carry out our agreement or are we going to forget it?

Mr. Shore: No. We all agreed to it.

Mr. Chairman: I hate to be a clock-watcher—I always said I never would be—but Mr. Bounsall has spoken for 22 minutes; Mr. Haggerty spoke for 10; Mr. McClellan spoke for seven. I think if we have Mr. Newman we have evenly divided it between the two parties.

Mr. B. Newman: Not in time, but in numbers. I wanted to bring up the issue all members in the House are interested in and that is the overtime issue. You are more than likely aware that all labour leaders in the auto industry would like to see overtime eliminated. They would like to see the 40-hour week and they would like to see it a lot shorter.

After the recent negotiations with the Ford Motor Company in the United States and as a result of providing 12 additional days off—vacation days—Ford has to hire 8,000 more employees. If we are going to attempt to reduce unemployment, especially in the auto industry or in towns or cities which do have

a fairly strong auto industry, the only way we are going to be able to reduce it substantially is by the elimination of overtime. You can help us on that by limiting the work week to 40 hours. On the order paper there have been bills in the names of several members asking exactly for that. I know you'll reply that over 48 hours is voluntary; there's no gun at the back of any employee to work longer than that. That is true but it still doesn't resolve the unemployment situation.

I understand industry not wanting to hire new people because the fringe benefits alone of a new employee are approximately 31 per cent. Their costs would automatically escalate substantially if they have to hire new employees.

Mr. Haggerty: Don't forget the NDP tax on that too, Bernie.

Mr. B. Newman: Charlie Brooks of local 444, Steve Harris of local 200—Brooks is at Chrysler, Steve Harris is at Ford Motor Company—and John Moynahan of 195—probably the largest locals in the Windsor area—have all come out strongly for the 40-hour work week.

Charlie Brooks says that present penalties no longer discourage corporations from scheduling overtime. He says companies find it cheaper to pay overtime rates than to put more workers on the payroll and pay the fringe benefits. I would think that would be one of the reasons but probably the paramount reason for the elimination is the health and safety of the individual.

You'll say fellows are working substantially more than that and are still able to take care of their jobs well. Sure they are. There's a man by the name of Don Tousignant who says some engine plant workers are putting in more than 70 hours a week by double-time shifts on weekends—70 hours a week. I admit it's voluntary and I know you work more than 70 hours as do most of the members here but we know we still need that bit of a rest. If an employee is going to work that length of time he's going to burn himself out quite soon. Mr. Tousignant says he could probably put up with this for two years and then he could no longer do that.

I would really request that you try, in co-operation with the union, to see that the work week is 40 hours; that anything over 40 hours is overtime and that it remain voluntary as I understand it is now.

In the auto industry it is voluntary but it's pretty hard to refuse. If you refuse overtime

now you may never be offered overtime again in the future.

Mr. Bounsall: It goes by seniority.

Mr. B. Newman: With the high cost of living you can't blame a fellow for accepting overtime. We don't get paid for overtime but we don't ask for overtime pay. We know how demanding the situation is for us simply because we are spending more than the eight hours a day on our job. Think of the employee who is working in a dull—

Mr. Shore: Yes, but they're productive.

Mr. B. Newman: Their production drops if they've got to put in more than eight hours a day, just as our production drops when we have to work much longer. Mr. Chairman, thank you; I think I may have spoken longer than five minutes.

Mr. Chairman: No, you were just on.

Hon. B. Stephenson: Mr. Chairman, if I may say so, this is also a subject of consideration and deliberation right at the moment within the ministry.

Mr. B. Newman: Is it being favourably considered?

Hon. B. Stephenson: I think I can say quite honestly it's being looked at very favourably.

Mr. B. Newman: Will there be some action as a result of that?

Hon. B. Stephenson: What I said earlier was I'm not sure I can promise you that it would be within this session.

Mr. B. Newman: We'll accept that.

Mr. Lupusella: May I ask just one question?

Mr. Chairman: One question.

Mr. Lupusella: If the minister recalls, on May 27, 1976, I raised in the Legislature a problem which has arisen with the Canadian General Electric Company Limited, when 251 workers were indefinitely laid off. I got in touch with the union and it seems that the company is fooling around with the particular section of The Employment Standards Act, and the employer recalled just 100 people and they laid off, again, the same people. The question which I would like to raise is if it is possible to have a meeting between your ministry and the representatives of the union in order that this particu-

lar problem is going to be clarified once and for all?

[4:15]

Hon. B. Stephenson: Is this the Davenport plant?

Mr. Lupusella: Yes, the Canadian General Electric Company. If you can arrange an appointment between the representatives of the union and you can be part of this meeting. I would appreciate that because the company is just playing around and I don't think that The Employment Standards Act has been applied properly.

Hon. B. Stephenson: We can certainly undertake to arrange a meeting.

Mr. Lupusella: I appreciate that.

Item 3 agreed to.

Vote 2204 agreed to.

On vote 2205, Human Rights Commission programme; item 1, office of the chairman:

Mr. di Santo: I'll be very brief. I want only to say that—

Mr. Chairman: Order, please. Mr. di Santo has the floor.

Mr. di Santo: —I'm really concerned with the racial tensions which are emerging in our province—and especially in Toronto—which are becoming more and more frightening. And whether it is the Regent Park episode or the firing of 30 blacks because they work too slow, or the laying off of the East Indians, I notice that the reaction on the part of the public is most of the time inspired to prejudice, and you can see that from the letters to the editor in our newspapers. This is a situation which is deteriorating. I am also pessimistic because I don't think we are doing much, and in the short run will do much, as a government, as a parliament of the province.

I think that what the Human Rights Commission is doing is to be praised, but most of the time it's difficult to detect whether we are faced with a case of discrimination or racism. It's quite evident when we are confronted with hate phone calls, and the Attorney General (Mr. McMurtry) has quite rightly pointed that out as a kind of behaviour that we don't have to accept in our society. But when a 61-year-old worker is laid off because of his age, and, of course, in the separation paper we don't have the motivation that he has been fired because he's old, there is a different motivation.

When we lodge a complaint with the Human Rights Commission, most of the time we go nowhere because we cannot prove that we are dealing with a case of discrimination. The same happens in most of the cases I have been dealing with. A black couple tries to get an apartment for rent, and they have a good record with their former landlord, and then when they apply they are refused the apartment, and there is no specific reason given. At one point the reason they get from the new landlord is that their credit record is very bad; then we try to clarify the issue and we find out that's not true, but in the meantime there are no apartments available. Of course the landlord, or the manager in this case, denies that he doesn't want to rent because you are black as he actually said.

I also recently learned a quite frightening fact from the office of the Crown attorney. I had a complaint and I reported it, Mr. Chairman, in the same way I received it, that an immigrant who has been in Canada for 30 years from east Europe, phoned the Crown attorney's office to ask for some explanation because his son has been involved in a judicial case and the response he gets from one of the attorneys is that, "If you don't like it you can go back to your country."

I was really shocked, because I thought that it's ironic that at the very moment when the Attorney General (Mr. McMurtry) is fighting against the right-wingers who are placing hate phone calls on the Bell telephone lines, in his own office there are people who are biased to that point. I am not sure whether that's true or not; in all honesty I asked the Attorney General's office to make an inquiry and the inquiry is going on. I hope that it isn't true because if that is the case we are really in bad shape.

Now I think that we are going through the same exercise every year and I think the government can do something. What the government should do is to provide an affirmative action on its own, because we know that in our departments there are no people belonging to minority groups who have high level positions. It may be coincidence, that may be the case, but that's the situation.

I don't know whether we should have contract compliance for people belonging to minority groups, what is euphemistically called a visible minority, but certainly we know that they are at a disadvantage.

I should tell you that as a critic of the Human Rights Commission, I receive many

complaints. I say quite frankly that many times it may very well be that they are unfounded, because people are psychologically conditioned to the point that they think that they are treated that way because they are blacks or because they are East Indians or West Indians, and that may very well not be the case, but the fact is that we have this situation and I think that the government should do something positive to try to solve, to overcome these difficulties.

The other day in the House the Minister of Education (Mr. Wells)—yesterday actually—in answering a question on a textbook on Islamic studies that was eliminated, had almost to justify why the government had to do that, because there were some connotations in that book that were perceived by the Islamic community in Toronto as derogatory. I think that the government should also have in this area some ground to expand its affirmative action.

What the government could very well do is to implement a policy of multi-culturalism, but not the way you are doing now which is wrong because you are encouraging folk lore and small local groups, you are advocating ghettos; rather you should have people contribute from their own cultural backgrounds in building a new kind of society, a righteous society with cultural values which belong to the different groups which are in our society.

What you should do—and this is not of course only pertaining to the Ministry of Labour, it has to be the policy of the government—you should introduce at the elementary classroom a kind of education which will give to all the Canadian children a type of culture that will make them acquainted with the background and the culture of all the groups which make up our society. If we do that, then we make the children,—the students, better understand the other people, the other students and the other ethnic groups they are dealing with. We remove, at the roots, the causes of what can develop into a situation of racism or of intolerance.

The other programme is an economic one. We have, in Toronto, a situation which is possibly explosive. We know that there are certain ethnic groups, minority groups, visible minorities, which are now expanding in those areas which were occupied previously, and are still occupied, by previous immigrants. The reason is an economic one, because they can afford only to expand in those areas which are affordable to them, which are accessible to them. The clash comes at the

lowest level of the social ladder where all the groups of newly arrived people clash because they have to find the vital space in which to live.

Why do they come to Toronto, this is the crucial question? You said the other day, Madam Minister, that we should create jobs elsewhere than Toronto in order to remove some of the social problems that we have in this city, but I think that in this society and with the kind of philosophy that you have, that will never be possible. For two reasons: One, because the entrepreneurs and people who invest their money find it convenient to make their investments in Toronto, because in Toronto they find cheap labour; and two, people come to Toronto because in Toronto they find jobs.

It is a circle which won't be broken unless you have economic planning and you decide where to develop our industry, and subsequently where to develop our urban settlements, which means that we must have a clear plan in Ontario on where to create the conditions for suitable living for the people who come to Canada and who migrate internally in Canada.

We are going to have increasing problems in this area. I don't know what you will do, but certainly that's something that we are for and we will fight for because we think that unless we do something we will be faced, in 10 to 15 years, with such problems in Toronto that this will become, really, a city where it is impossible to live, with racial problems that won't be solved because the situation has become, at that time, so serious that nobody can solve it.

[4:30]

Hon. B. Stephenson: Mr. Chairman, if I could just respond, the Human Rights Commission does have a liaison committee with the Attorney General's ministry as a matter of fact, to investigate and to deal with problems of law enforcement which seem to have any kind of overtone of either racism or discrimination, and indeed they work together I think really pretty effectively.

Mr. di Santo: I gave that just as an example, and I am not saying that what I was told is true or the claim is true.

Hon. B. Stephenson: I certainly have not heard that that kind of response ever occurs within the Attorney General's ministry, and I would be surprised if it did. We haven't had any complaint of that, I don't think.

Mr. Brown: We have had statements, allegedly made by judges from time to time,

with sort of ethnic implications, which to my knowledge has been investigated by the Attorney General's Ministry. I don't think Mr. di Santo has cited definite particulars.

Mr. di Santo: No, I did not. As I said, I have asked the Attorney General to investigate the case.

Mr. Brown: We have referred matters of that nature to them before. We have always been satisfied with their results.

Mr. B. Newman: Mr. Chairman, the commission has been travelling about the province, in various areas of the province, since the spring of this year, because a special committee of the commission itself was set up to review the Human Rights Code. They have received almost 300 briefs, in addition to the oral presentations which have been made at the hearings, and they are at this time going through all the information which they have collected.

Hon. B. Stephenson: They had, I think, is it 17 or 18 public hearings throughout the province, in various areas of the province, since the spring of this year, because a special committee of the commission itself was set up to review the Human Rights Code. They have received almost 300 briefs, in addition to the oral presentations which have been made at the hearings, and they are at this time going through all the information which they have collected.

I had hoped that they would be reporting to me in December. Dr. McLeod informs me that it may be the end of December or early January before we get the report, because the response to the public hearings was much greater than they had anticipated and the amount of information which they have collected is very much greater, I think, than they had anticipated as well. They are extremely gratified with the attendance at the hearings and the kind of responses they have had from the public.

We don't even have an interim report, I have to tell you right at the moment. We have had some conversations with Dr. McLeod about this, and there are some very interesting facts and some very interesting conclusions, I think, going to be drawn as a result of their series of hearings.

Mr. B. Newman: One thing that does amaze me is when we find out the numbers of different types of national groups that have settled here and the little amount of friction, really, that we have. This speaks well for the Human Rights Commission, and I think it speaks well for the people generally, when they come to the province of Ontario and to Canada. Some of them are traditional enemies, back on their own continents that they come from, yet they live next door to one another here. When you get to know your neighbour, it is pretty hard

to be an enemy with him. I would like to commend the commissioner.

Hon. B. Stephenson: I would certainly agree with you strongly about the quality of the staff of the Human Rights Commission, and the commissioners themselves and the kind of service they provide, which is I think exemplary. And I thank you for those remarks.

Mr. B. Newman: That's all I wanted.

Mr. Mackenzie: I have a question; but Mr. Lupusella has to leave and if he is on your list, I don't know where he stands.

Mr. Chairman: Yes, he is. Mr. Lupusella.

Mr. Lupusella: If I may, Mr. Chairman, I appreciate your indulgence; I would like to raise my particular concern to the Minister of Labour: It concerns an article which appeared in the Globe and Mail on November 9, 1976, which was yesterday, about the union's fight over TV monitors before the civil rights board; to tell you the truth, I felt really disturbed on reading the kind of statements which were made by the owner of this particular industry which is involved, Puretex Knitting Company Limited. I am not sure if you are aware of this particular case. My particular concern is that the use of television monitors if it won't be prevented by your ministry, might be expanded in all industries, and they are going to keep under control all the workers in any factory. The owner of this particular company is Mr. Satok and I want to quote some of his statements just for the record. The case has been brought to the attention of the Ontario Human Rights Commission. The statements show the kind of authoritarian mood of the owner of that particular company. For example, he said, "They don't have to work here, if they don't want this kind of system", and another quotation is: "I have got to see where my people are all day. I don't have time to waste fooling around. How the hell am I supposed to run this place unless I know everyone's doing their job?"

I stated before, and just by grabbing this information from the article which appeared in the Globe and Mail yesterday, it seems that these closed-circuit television monitors were installed just to control those workers because they were stealing goods from the factory. I want to draw to your attention and the attention of the Ontario Human Rights Commission that the owner of this company leases the closed-circuit system for about \$1,000 a month, and it amazes me

that he can pay this to control those people leaving the factory at night and find if they stole goods from this factory.

If we are going to enter into a situation in the province of Ontario in which all the industries are going to install these closed-circuit television monitors, I don't think the work place in our province is going to be really relaxed for the benefit of the workers. By the way, those workers at Puretex Knitting Limited are making \$3 or \$3.25 per hour.

I think the best recommendation which I can make to you, Madam Minister, is to act immediately in order to stop the expansion of these closed-circuit television monitors around the province. If the owner of this company is worrying that workers are stealing goods, instead of paying \$1,000 to lease closed-circuit television monitors, he can pay someone to find out if the workers are really stealing goods. If he is worrying that he doesn't know how the workers are doing their job I don't understand what the foremen are doing in the factory. Usually the foremen protect the interests of the bosses.

I would like to hear your comments on what kind of action your ministry is going to take. I am not sure when this particular issue is going to be dealt with by the Ontario Human Rights Commission, but I strongly recommend that this kind of action be prevented and we stop the expansion of these closed-circuit television monitors because there is no need for this. We are going to affect psychologically those workers who are employed in any sector of the industry in our province and I don't think it is going to be worthwhile to have such a system to control what the workers are doing.

I would like to hear your comments. What are you going to do? Are you going to take a strong step in order to prevent that? Are you going to get in touch with the owner of Puretex Knitting Limited? I would like to hear your comments, because it is really dangerous and I don't think the workers in our province are going to be happy to be controlled by the circuit television monitors.

Mr. Shore: Mr. Chairman, just a point of clarification or information. I haven't read that article. Could I get clarified as to what is the rationale or what are the conditions—has it been reported to the Human Rights Commission?

Mr. Lupusella: Yes.

Hon. B. Stephenson: Mr. Chairman—

Mr. Lupusella: It's written here. I read the article yesterday and so, as I can see here: "Canadian Textile Union officials at Puretex Knitting Limited have taken their fight against the company's closed circuit television monitors to the Ontario Human Rights Commission."

The lawyer is Mr. Mary Cornish.

Mr. Shore: What is the rationale? Is there any, as to how it gets before the—

Hon. B. Stephenson: It's Miss Mary Cornish. I don't think she'd appreciate being called Mr.

Mr. Lupusella: Miss?

Hon. B. Stephenson: Yes.

Mr. Lupusella: I'm sorry about that.

Hon. B. Stephenson: If I may, Mr. Chairman, to my knowledge there has been no formal application as yet on this case to the Human Rights Commission. However, I would have to tell the hon. member that I learned about this situation exactly the same way he did, as a result of the article in the *Globe and Mail*, and I was very much distressed by the Orwellian overtones of this kind of behaviour. It's tantamount, I think, to directing immigrants and workers in this province to live in a specific place as well as to be supervised by closed-circuit television or anything of that sort. It really is rather frightening.

If that union is going to make application to the Human Rights Commission, you can be sure that it will be dealt with expeditiously.

Mr. Lupusella: Okay, Madam Minister. I don't think that we have to wait until the union makes a case through the Ontario Human Rights Commission. I think your ministry can take an immediate action to get in touch with the owner of this company, find out what's happening, because I see some quotations made by the owner like: "If I discriminated against black women, against Italian women, I'd be working with just me. I need my workers, but they need the company as well."

(Those statements are quoted and I hope instead of waiting until the union takes the case to the Ontario Human Rights Commission, you can initiate an action with the owner of the company in order that the closed-circuit television monitors are completely eliminated. I hope you are going to do that.)

Hon. B. Stephenson: The basis of any action is the lodging of a complaint by an individual.

Mr. Lupusella: I am complaining, so take it as a personal complaint because it is disturbing me and as soon as you are going to initiate any kind of action, I would appreciate it if you report that in the Legislature.

Mr. Haggerty: Perhaps the same issue raised by the member can be applied to the Ontario Legislature too, there are television lights in there too. It usually picks out the ministers—

Mr. McClellan: My constituents can't find me there.

Mr. Haggerty: It's discriminatory, you know. I was just wondering—

Mr. Lupusella: It's no joke.

Mr. Haggerty: —if it applies to the Ontario Legislature. I'm not in favour of the lights being in the Ontario Legislature.

Mr. Kerrio: Are you trying to get that in Hansard, that it's a—we appreciate the seriousness.

Mr. Chairman: Order. Order, please.

Mr. Kerrio: I had to get even, Mr. Chairman. We understand your idea of what you're trying to say.

Mr. Chairman: Mr. Haggerty has asked a question.

Hon. B. Stephenson: I don't think I can respond to it, I think they are two entirely different situations.

Mr. Kerrio: You didn't think you were going to catch me with that one, did you?

Hon. B. Stephenson: I believe the one that Mr. Lupusella raises is one which—

Mr. Lupusella: Yes, there are two—

Mr. Haggerty: Every time you turn the television on, you see nothing but the NDP leader.

Interjections.

Mr. Lupusella: Maybe the hon. member, Madam Minister, didn't understand the principle of my criticism.

Mr. Chairman: Order, please. Order. We're discussing the Human Rights Commission. Mr. Grande.

Mr. Grande: I would like to continue with what the member for Downsview was talk-

ing about. Perhaps I want to be a little more specific.

Let me begin by saying that you can't really put the blame on anybody, least of all the commissioners themselves. I think the work they're doing has to be applauded and I don't hesitate for one minute to do so. If I think that not enough work is being done in this area, I'm not throwing any kind of wrench onto them. I'm saying simply not enough people involved in this area are put in place.

[4:45]

I would like to start off with the book that was published last year by the Human Rights Commission, by Wilson Head, I would just like to ask a simple question of procedure, of process, and that is, once a report of that scope—which, as far as I'm concerned is colossal—comes to the commission, what happens to it? What happens to the recommendations of that report? Are they dealt with? Are they just there for the report to be disseminated to as many different people as possible, but no action taking place?

Hon. B. Stephenson: It's my understanding, Mr. Grande, that the document produced by Dr. Head has been the subject of study and consideration by the commission itself. Indeed, when they have completed their deliberations regarding that and other matters, they will be making recommendations regarding the Human Rights Code and action and policy developments within the commission function.

Mr. Grande: In other words, you're saying just take it easy, take your time, it will come. The recommendations will be coming.

Hon. B. Stephenson: We have a Human Rights Commission which, in fact, was the body responsible for commissioning that study by Dr. Head. Dr. Head has reported to the commission. The commission is examining the document which he produced and the recommendations contained therein and as a result of their consideration of those recommendations they will be, I am sure, in the recommendations which they make regarding possible revisions of the code, be including some, all or modifications of the recommendations which Dr. Head has made.

Mr. Grande: Are the commissioners going before the Minister of Education, going before the Minister of Housing, going before the Minister of Labour and saying, "Look, one of the problems is in the schools. What is Education doing about it? What are you

doing in terms of producing the kinds of guidelines that will eliminate these kinds of tensions within the school system?"

Let me be frank with you, and I put it in the House over and over again, this is a particular area that requires actions, that requires very positive actions immediately. My colleague from Downsview said that this might become a completely chaotic situation. I'm saying to you, now that we have the time, now that we can really take a look at this basic issue, let us not wait for the crisis to develop before we act. The Minister of Education (Mr. Wells) should look at those five or six recommendations under education as far as the schools are affected and do something independently, perhaps, of the commission, because those particular areas certainly do not require a tremendous amount of time to study.

As I said, I don't want to put any kind of fault anywhere. I'm saying I'm concerned about this area and I would like to see something happening.

Hon. B. Stephenson: The report which Dr. Head produced for the commission has been distributed to all ministries, hasn't it?

Mr. Brown: Yes.

Hon. B. Stephenson: Yes, and specifically to those ministries where recommendations were particularly relevant, eliciting responses from those ministries, which the commission is also considering.

Mr. Grande: Let me get to something else. For example, in terms of one of the recommendations that Dr. Head makes in terms of—

Hon. B. Stephenson: This I didn't know, but George Adams has just told me that, in fact, the Minister of Education is going to be meeting with the whole commission at their meeting in December to discuss that ministry's response to the Head report and to other problems.

Mr. Grande: So this is going to come after the Minister of Education is going to make a grand statement about the multicultural policy. I can't understand it.

Hon. B. Stephenson: I have no idea when he's going to make a grand statement about multicultural policy.

Mr. Grande: The last thing he said was in two or three weeks' time.

Hon. B. Stephenson: Oh, that's about the list of books, is it not?

Mr. Grande: No, it is not. It's the multicultural policy that he's been talking about for years.

Hon. B. Stephenson: I'm sorry, if he said that in the House I was unable to hear him because of the background noises.

Mr. Grande: From behind your back.

Mr. Chairman: I happen to sit behind the minister.

Hon. B. Stephenson: No, Jack is very quiet as a matter of fact. Sorry, I mean Ron is very quiet.

Mr. Grande: Mr. Chairman, there has been a tremendous amount of confusion in this area and I think that the press has been responsible for bringing about this confusion. Again, I don't want to blame the press. According to the free system they can publish anything they like. The fact is there and it can be documented over and over again that black children are channelled into vocational schools. The Italian community 10 or 12 years ago was saying exactly the same thing; the Greek community was saying it seven years ago; the Portuguese community was saying it three years ago; the black community is saying it now, and I am sure that the East Indian communities are going to begin saying that same thing. It appears to me that a model has not been developed, or maybe there is no wish to develop a model, by which these children can be integrated in a kind of racially harmonious and ethnically harmonious way into the school system. These children are suffering. They are suffering educationally in the educational system.

I have taken this from Dr. Head's book, where it says that the blacks are slow learners. What kind of thing is that? I mean, certainly those are the kind of feelings that the black community themselves have, their own perceptions. Nonetheless, those perceptions exist and they are there, and I am saying to you that unless we move in a very positive way, now that we have the time, we simply cannot afford to wait for the crisis to develop. It appears to me this government just waits exactly for that time, for the crisis to develop in whatever particular field we are talking about. There is a crisis, there's need for us to move, there's a public perception that we should be doing something. Never at any time am I being made to feel at ease that any preventive steps are being taken.

For example, sex discrimination in books has been going on for years and yet the Minister of Education just now is beginning to move in this area. There are the religious

discrimination slurs that happen to be in books; for example, with that incident that happened over the summer with the Islamic community coming to Queen's Park on a Sunday when there was nobody around. Nonetheless there is real feeling there. There is real frustration that somehow they are not dealt with in a democratic and just way.

Another point which I want to get on to deals exactly with this situation—because I think one of these days it should be all documented and put somewhere, and I don't know how that is going to be done—and that is the situation at Regent Park. I want to talk about the situation at Regent Park in relation to the press, because that bothers me a great deal. Before I do that I want to ask a question of the commissioners. Was a complaint made to the Human Rights Commission about the incidents at Regent Park?

Mr. Brown: Yes.

Mr. Grande: Did you investigate it?

Mr. Brown: Yes. We had people in there last summer for about three weeks. We had about three staff members there. We worked with all the agencies involved in that area—Ontario Housing, the community services office of the Metropolitan Toronto police, the tenants' association in Regent Park and the city recreation department. We looked at all the variables that were contributing to the tension in the area. We investigated and we produced a report.

Mr. Grande: You did produce a report?

Mr. Brown: That's right, to the commission and copies of it went to certain critical organizations in there. But we did not take a sort of posture in there. We allowed it to be solved by the groups themselves and preserve what they wanted, as we have done in the previous summer in the west end. So we are always in these situations. They called us and we responded.

Mr. Grande: Did you make certain recommendations within that report?

Mr. Brown: That's right.

Mr. Grande: Could you give me an idea of some of those recommendations?

Mr. Brown: We looked at the unemployment situation. We looked at the recreational facilities that we thought were perhaps not adequate, and if they were adequate, they were not shared. The sharing of it was part of the tension because some of the people there, some of the young people who were

born in this country, wanted to play baseball in the summer. Those from the Caribbean wanted to play soccer, and this was a source of tension on the playing field.

These were addressed in the report—the unemployment, recreational facilities and they had some minor concern about policing in that area. They had some minor concern about dating, I suppose in girlfriend/boyfriend situations, which we looked at. So we looked at the critical variables anyway.

Mr. Grande: Would it be possible for me to have a copy of that report?

Mr. Brown: I think so.

Mr. Grande: It seems to me—I'm sorry, did you want to say something?

Hon. B. Stephenson: I should point out to you that you are addressing the executive director of the Human Rights Branch. The members of the commission are not here and I would remind you that the members of the commission are all entirely non-governmental people. The commission is chaired by Dr. Symons but there is not a civil servant as a member of that commission.

Mr. Grande: Thank you. It seems to me then that the kind of causes you are talking about for that situation to develop during the summer are exactly the things that really should be looked at and really something should be done in terms of getting rid of those basic causes. But it doesn't appear to me that the government is obviously very serious about getting rid of those basic causes.

What has the government done in terms of unemployment, which I understand in that particular area happens to be around 15 per cent, if not higher? What has the government done about housing? What has the government done about the social and recreational agencies?

All the causes in here, the economic causes which really are at the root of the racial tensions—these particular racial tensions seem to be coming up not as a result of people not liking each other, but a result of people feeling economically threatened by others. So therefore the racial tensions that we are talking about, the differences that we are talking about, have really nothing to do with it, they are the symptom, the surface. What is really at the base are those causes which as far as I am concerned, government—and not just in the area of Regent Park but in very many areas in this province—is willing to do precious little

about. I mention housing, because that seems to me to be a very major cause of the situation.

In terms of the press, the very first day that the Toronto Board of Education—and by the way, that's the study that I am reading and I am referring to; the causes it finds seem to be similar to your findings—the newspapers, in terms of really zeroing in on the basic causes that allow that situation, seemed to be talking about the symptoms, and to be doing nothing else but making a sensation out of them. So what happens when a person—whether the person is in Timmins or anywhere else in the province—reads it and says, "Ah, there really are riots all over the place. The thing is really at such a point that we have to stop immigration completely"? These kinds of perceptions which the press gives are really distorting the whole picture.

[5:00]

What I am saying to you is address yourself to the causes because once you eliminate—or you help to eliminate—those causes you eliminate automatically the racial tension. There is no need to be zeroing in on that symptom.

The other thing was on the same day—"Too Much Stress on Ethnic Studies, City Teachers Say." It seems to me that the press is only interested once again in giving the idea of divisiveness. The teachers don't want these kinds of things to take place but the communities are pushing and demanding. There it is; tension is brought up again.

Although the newspaper articles seem to be pointing to this kind of trend, the sensationalist kind of trend, the editorials in the daily press seem to be more fair, more central in nature—I want to use the word liberal but don't take me wrongly; it's with a small l—

Mr. Cunningham: We won't take you at all.

Mr. Grande: —in terms of saying jobs would ease racial tension. That is a cause. What is the government doing there? Nothing.

Schools can help combat racism. What is the government doing in terms of encouraging multicultural development in our schools? Nothing. As a matter of fact, the Ministry of Education and the other ministries were very silent on the whole issue. They didn't even say one thing, apart from the Attorney General who feels that somehow—sometimes I think maybe he is grand-

standing more than anything else. The people in the communities are not taking the Attorney General so seriously.

This group, the Canadian Council for Racial Harmony, evolved in the east end. Why? Because they are feeling threatened every day, whether it is at their jobs, walking on the street or playing in the park. They are feeling threatened. The kind of things they talk about here is exactly a reflection of their frustrations in terms of how they are threatened—and they are being threatened.

Last week, I believe it was on Sunday, they had a meeting near the Science Centre and on the top of the notice it said, "Canadian Council for Racial Harmony" and at the bottom "Unite for Survival." Why is this, that a group of people feel so threatened, so—I don't whether it is despised but certainly it is a threat—they feel so threatened that they feel the only way they can handle the situation is by evolving a hot line to call themselves because they obviously don't trust the police department to do it. They obviously don't trust the government in terms of doing something on their behalf.

My sense is that in your silence you are encouraging this thing to go on. Instead of your saying there is no way this kind of thing is going to be condoned anywhere in this province; instead of saying let us take positive steps and coming out with positive steps—whether it be in your own ministry or the Ministries of Education, Community and Social Services, Culture and Recreation, whatever ministry—instead of taking those positive steps you are saying nothing. You are being very quiet and that, as far as I am concerned, is more destructive in the long run. Thank you, Mr. Chairman.

Mr. Chairman: We have three members who have indicated they wish to speak and we have less than one hour left for two votes. I have Mr. Newman, Mr. Mackenzie and Mr. Bounsall. Mr. Newman.

Mr. B. Newman: Thank you, Mr. Chairman. I wanted to ask the minister if she is contemplating any legislation along the lines of the Nova Scotia legislation which would eliminate discrimination because of a physical handicap when the handicap does not prevent the individual from performing his responsibilities.

Hon. B. Stephenson: One of the interesting things which the commission learned as a result of its travels throughout the province was that while its members had been looking with some favour upon the Nova Scotia legislation as a potential for inclu-

sion within their recommendations regarding revision of the Human Rights Code, several groups of the handicapped throughout the province made representation to them at the meetings saying, "Don't have anything to do with the Nova Scotia legislation. It is wrong. It is discriminatory in its language. We don't like the way it is written and we don't want to have this kind of legislation introduced on our behalf. We want to be a part of society."

Apparently they feel that this legislation does not permit them the freedom to be a total part of society. The commission is looking very carefully at that area specifically because they had had a preconceived notion that the Nova Scotia legislation might be the right way to go. They feel, I think, less enthusiastic about using that kind of legislation to do the things that are necessary now.

Mr. B. Newman: Has your ministry contacted Nova Scotia to discuss their experiences with it?

Hon. B. Stephenson: The commission has.

Mr. B. Newman: They have? I discussed it with the Human Rights officer there and he was extremely complimentary concerning it. Naturally he would be, being the one who is responsible for administering it.

Hon. B. Stephenson: But the people for whom it is written apparently are not as enthusiastic.

Mr. B. Newman: Yes, I understand that. If the people involved don't want it I don't think that is the type of legislation which should be introduced.

Hon. B. Stephenson: That is a special concern of the commission right now and certainly one of the problems which they will be addressing, I am sure.

Mr. B. Newman: Your committee or the—

Hon. B. Stephenson: George has just told me they had 73 briefs from groups of physically handicapped.

Mr. B. Newman: I was going to mention some of them because they did sit in the city of Windsor and they did hear representations from the community. I thought the contribution made by all the people involved, especially the handicapped, was exceptional.

Hon. B. Stephenson: The quality—

Mr. B. Newman: The quality of the contribution. These people are living with this for 24 hours a day whereas the other type

of discrimination is spotty; or some of it is spotty, not all of it. They discriminate against you because you can't talk their language; or they discriminate against you because of the colour of your skin; or they discriminate against you because of your religion. But when it comes to a handicap the individual is discriminated against all the time, even in employment.

Mr. Grande: Are you saying it is all right if they discriminate according to religion—

Mr. B. Newman: There's no way I said that at all.

Mr. Grande: My apologies then, Mr. Newman.

Mr. B. Newman: You don't have to apologize. I know you just didn't understand what I said. I wouldn't be fighting for the handicapped or for the others if I thought they didn't have the right not to be discriminated against.

The briefs submitted in the city covered all the aspects. I am not even going to mention them because I would assume your officials will have gone through all of them. They would have heard generally the same type of comment from each of the municipalities they visited and you probably will have some type of sheet developed which would list all of the types of discrimination because of some sort of physical handicap. Did the epileptics make representation to you? A fellow by the name of Ian Patterson in the city of Windsor has attempted to set up an epilepsy group.

Hon. B. Stephenson: I know who he is.

Mr. B. Newman: Yes, he mentioned you to me. So you know their desire not to be discriminated against.

I wanted to ask you if there is any consideration being given by your ministry to covering the handicapped under Workmen's Compensation. I understand if they are employed they can't get coverage under Workmen's Compensation. Is that right?

Hon. B. Stephenson: If they are employed—

Mr. B. Newman: If they are employed as a handicapped person they don't have Workmen's Compensation; they are not entitled to Workmen's Compensation.

Hon. B. Stephenson: No, there are special programmes for the handicapped which the Compensation Board subsidizes in a special

way. I'm sure as a matter of fact that what you are stating is correct but I'll find that out.

Mr. B. Newman: I would appreciate that—whether the handicapped person, because of the handicap, is not entitled to Workmen's Compensation benefits. I wanted to ask you what happened to the two young ladies in Chatham, Mrs. Deborah Murphy and Mrs. Brenda Chute, who attempted to get jobs with the public works department in the city of Chatham as sanitary engineers?

Mr. Brown: That one we have under investigation, Mr. Newman. I do not know, as of today, whether or not we have a final position on it.

Mr. B. Newman: Surely, you are not still investigating it? This took place back in the early summer, if not in the spring of this year. The young ladies applied to the public works department to work on the sanitation trucks and they were turned down. The article says they "Lose Second Round in Garbage Crew Job Fight."

Mr. Brown: We had a not very receptive position from the respondent there and sometimes it takes some time to mollify feelings. It's not—sometimes it takes time. I could get a final report on that for you. I haven't got it at the moment.

Mr. B. Newman: I admire the ladies trying to get that type of employment and showing they can do the job just as well as the other individual. Apparently you have that under control.

What does one do about discrimination because of weight? For example, at Chrysler if you weigh under 140 pounds, you can't get a job.

Hon. B. Stephenson: And if you weigh more than—at the TTC if you are under 5 feet 4 inches, you can't be hired or something.

Unless that can be construed as a physical handicap. I don't think that was included in any of the briefs presented to the commission at any of the hearings. Those topics have been raised with the commission and they are including this kind of consideration in their total examination of the code and things which should be included in it.

Mr. B. Newman: When they mention that 140 pounds, do they also include young ladies—the young ladies who apply for employment there must weigh over 140 pounds? I don't think the girls who work in there

would be in that category. They would be well under 140 pounds.

Hon. B. Stephenson: As you know, under the present structure of the code, the Human Rights Commission has no legislative authority to investigate a situation of that sort at this time. The commission is aware, the commissioners themselves are aware, of this problem and are looking at it now for possible inclusion in a modified code.

Mr. B. Newman: I think there should be some resolution of it. It seems to be real discrimination against an individual, simply because he's under 140 pounds. Maybe he hasn't had a good meal for years but simply because he's a lightweight—he can certainly put those nuts and bolts on as easily as a man who weighs 198 pounds, if that's the type of job he's being assigned to. I don't think that type of weight category should be included blanket fashion in employment because a lot of people can do it. The physically handicapped can do a lot of the jobs in industry today.

I've always maintained that certain jobs or a certain quota of jobs should be set aside for people who have some type of a handicap. It doesn't necessarily have to be physical because sometimes there are other types of handicaps which should not deter him from becoming gainfully employed. Otherwise, we are going to relegate all people who have some kind of a handicap to the welfare rolls and why should they be there? They are just as good people as are you and I, and I think we should do everything we possibly can in an attempt to resolve that type of problem.

I would like to conclude—we can legislate but we can't educate and in spite of all the legislation we may pass in this House discrimination will never be eliminated. We will eliminate some of it. We will eliminate it all at one time but it's within all of us. We select certain things as opposed to other things which means we are discriminating. It may be for a better quality of life that we discriminate, but we hope the discrimination that we're generally talking about in here could be eliminated and, at the worst, kept to a minimum.

[5:15]

Hon. B. Stephenson: One of the major roles of the officers of the Human Rights Commission in fact is to function in an educative capacity with community groups, with individuals, with certain of our institutions in our society as well, and I think they do

a very good job in that area. But the comments that you make are very valid.

Mr. B. Newman: It was kind of funny, when we got into Olympic competition there, the Olympic athletes, regardless of race, creed or colour, associated with everyone. I've gone through that, having been coach of an Olympic team in the past, and there was no disharmony, one athlete with the other. We found the disharmony between politicians, not the athletes.

Mr. Williams: Just to follow up on a question here. I think the points are well taken, Madam Minister, but are we to take from these observations, and using the question of weight as an example, which is an interesting consideration, are we to conclude therefore that there is no situation in which the job characteristics would dictate that weight or height, say, was a factor, that it would be deemed discriminatory because, in fact, the very conditions of employment would dictate the person had to be of a certain weight, or under a certain weight, or over a certain weight? Surely there must be some situations where that can be a legitimate requirement without being deemed to be discriminatory?

Hon. B. Stephenson: Yes.

Mr. Williams: I think, for example, of a jockey. How could you conceivably say that that person's being discriminated against because he weighs 250 pounds and he applies to be a jockey?

Hon. B. Stephenson: I think what Mr. Newman was pointing out was that this should not be a part of the initial application form. If the job is described as that of a jockey, or if the job is described as the sort that is going to require a great deal of major muscle leverage, then the individual obviously is going to have to physically meet those requirements. One can't legislate out the physical requirements for a specific kind of job.

Mr. Williams: That's really what I wanted to get clear, that surely there are certain types of jobs where it's quite appropriate to suggest that weight or height are valid considerations without them being deemed to be discriminatory in nature?

Hon. B. Stephenson: Yes.

Mr. Mackenzie: I'll be very short because Mr. Newman has covered the area that's concerned me, or at least half of it. I've had a number of people in my constituency office

who are blind and/or have epilepsy. I had three within a matter of about two weeks, and the last one really made an impression on me, and this is really what concerns me. He was a young chap by the name of Randy McCann, who had grade 13 and one year at college, had taken a manager's training course at one of the K-Mart stores and has been out of work since July 15.

His feeling is that it's because of the epileptic condition that he has. He says it's not one where he's out of commission or falls down; it is just a shaking of the hands for a short period of time. But the number of job searches he had and the number of one-sided conversations he was able to relate was rather amazing. He had been down at Manpower and the answer he was continually getting—including from some of the Manpower people—was that he was really over-qualified, which he felt was nothing but a copout.

When you get an obviously intelligent, good-looking young chap of 20 years of age who's beginning to question the whole bloody system, what I'm really saying is what do we do with them? If somebody was ever suffering from discrimination or was, as far as I'm concerned, having his rights trampled on, it was this young chap. I know he's only symptomatic of some others we've talked about, but you wonder just what to say to a young chap like this. You start making some phone calls, as I'm doing now, to a few of the employers I know seeing if we can't fit him in some place, but it seems to me that we're going to have to take some initiative in cases like this.

Just what do you say to an obviously reasonably well and intelligent, neat, young 20-year-old who's got a job search a mile long, and who has had the unfortunate situation of sitting in at the other end of the phone as people have called on his behalf and got some of the: "Yes, there's a job here." Then minutes later, as they get into it: "At what stage," as he said to me, "do you start lying?"

"I know what happens," he said. "You're caught if you do lie. But," he said, "I've been so tempted the last few weeks just not to tell the truth."

I think we've got a problem here and I'm really asking what do you do with a chap like this?

Mr. Brown: Madam Minister, there is no provision in the code for that, and as has been mentioned before we're looking at a review with respect to physical handicap. However, in the past we have taken com-

plaints within the spirit of the legislation. In the trade we use moral suasion on it, because a lot of the problem with epileptics in the area of employment is a question of ignorance.

Hon. B. Stephenson: On the part of the employer.

Mr. Brown: That's right. Once we can establish with their doctor just how severe or limiting the situation is, we have had employers willing to hire them in the past, so we're glad to take this young man's address.

Mr. Mackenzie: I'd like to raise this one with you particularly, because I think there's some real merit in it.

Mr. Brown: We'll be quite pleased to take a look at it with respect to his employer.

Mr. Bounsall: I mentioned in my opening both the situation of the epileptics and other people who have problems with respect to getting employment, and that changes in the Human Rights Code may well benefit them. I proposed both the changes to the code and a fixed percentage, as they have in England, of employment. I don't believe it's one or the other, I really think we should open up on both fronts on this; and I tell you why.

You would have problems with some of the handicapped saying: "Look, to be designated as a group of"—let's say the epileptics—"as a group of persons who are disabled, for either purpose"—there'll be problems with some of the disabled groups in that regard in seeing themselves as being disabled, even though that would open up an employment opportunity for them. You would have to get them to sort of accept that, and that is a bit of a problem.

But the situation the people who are having problems getting jobs have, if one only changes the code, is that it puts them in a position of perhaps a fairly clear-cut case of being turned down on the basis of their disability. What they need is a job, not to go to the Human Rights Commission and fight it and have the Human Rights Commission respond to the situation. They want a job. That's why the Human Rights Code change, although helpful, is certainly not the answer or the only panacea in itself. He needs the job, not to be able to be part of the process of taking yet another case to the human rights officer in the area, a case where they've been discriminated against. It's a much slower process, the education and what have you that takes place. With respect to epileptics in particular, if companies or employers with 25 employees or more were re-

quired to hire three per cent and so on, they would be experiencing the employment of people in this category, who are slightly disabled only, and finding out themselves rather quickly that these are valuable employees.

I think we have to do both, attack on both fronts, because just the Human Rights Code is not, by itself, the answer. They need the housing; they don't need to take a case to the Human Rights Code about being denied housing because of their wheelchair problem and the worry of the landlord about the wheelchair scratching up the doorways and the doorjamb. They need the housing, not the case before the Human Rights Commission. So that isn't the sole answer, we need action on both fronts.

I can see the section about disability discrimination being a prohibitive practice under the code as being helpful in some instances. I think one could then have a look at the Chrysler weight problem and say: "Hey, you haven't looked at the very muscular"—I think if one measured physical performance and physical ability of the one case I had recently, the five-foot-eleven, fairly muscular person, who was 138 pounds, and was turned down. I'm sure he's in much better physical shape—

Mr. Hodgson: He couldn't be very muscular at 138 pounds.

Mr. Bounsall: He was one of those real wiry chaps. You should see him handle weights and so on—a very good performance. Any employer, on the basis of his weight, would have been crazy not to have hired this person, but there is the rule.

One could really attack this situation and have employers look at what would be a more reasonable set of criteria, if you like, in terms of employment. In this case of weight, look at the physical prowess of the person in the type of job that person might be required to do; and if there's a programme in some cases where that person might go on that makes them physically fit for that particular job. In that case it would be a step forward, to have it in the code, to handle situations such as that.

May I say about the whole human rights vote, and it can be said again and again, there simply aren't enough field officers to do the type of education job that's required in this province under the provisions they already have. If they're going to expand it, and I certainly hope we do—I'm not asking for the figures, I can read the figures—we need increased staff throughout the province in field work, in the placement area, so they

can have more time to do little more than simply respond to the cases but to get out there and do the educational input which is of value in all fields.

In essence, a change to the code would remove from questionnaires with respect to employment: "Have you ever had a Workmen's Compensation Board injury, or a compensable injury?" Which is a quite common occurrence; it's a question that shouldn't be asked.

In one other case, I know of a chap who lost his finger, lost the fourth finger of his right hand at the first joint. He's perfectly capable of performing all sorts of jobs, yet when he faces employment forms that ask "Have you had a Workmen's Compensation Board compensable accident?" he's got to put down "yes", and he knows, the same way that Mr. Mackenzie outlined the epileptic case, he knows that as soon as they see that "yes" they don't read any further, he's got no job. It would help in situations of that sort.

But it isn't going to be the panacea. It should be in the code and it should be, as I proposed, a percentage of employees hired that do fit the list of people and groups that are listed as being disabled, which include Workmen's Compensation cases and various people with minor disabilities, such as the epileptics.

To turn to another topic, I'd like to inquire about the relationship that exists and the amount of communication that occurs, between the minister, deputy minister, the ministry at upper decision-making echelons, and the commission itself. Let me ask a series of questions about this area of communication on matters that have been bothering me.

Was there a directive, in any form, verbal, written or even a strong suggestion from the ministry—by the ministry I mean the minister or the senior level in the ministry—to the commission, to embark upon their series of public hearings or was that solely a decision of the commission?

Hon. B. Stephenson: Yes; it was solely a decision by the commission.

Mr. Bounsall: All right. I bring that up because, as you know, a former Minister of Labour, in the fall of 1974, said there would be changes to the code in the spring of 1975. What of course happened, before the time when one could reasonably expect that, the commission had charged off on its own decision to investigate certain conditions and hold its public hearings.

Hon. B. Stephenson: If I may, was that not because, indeed, a new chairman of the commission had been appointed?

Mr. Bounsall: That is what I'm concerned about, the communication. You say that was a decision mainly resulting from urgings to the commission by the chairman, Tom Symons; and I don't doubt that at all. But I'm saying if the communications were what should be between the ministry and the commission, then the commission and the chairman of that commission would have known that there were certain areas in which changes were about to be introduced; and I'm sure this was so in the area of the disabled in the spring of 1975. By the time the commission has finished its hearings and prepared its report and reported back to you—and this in an area where the need for change was obvious to the field workers, obvious to the people who participated in the debates on the Human Rights Commission in the past—we are going to get a couple of years delay in terms of legislative action which would help out, because of that action taken by the chairman. That's the net result of that action, taken by the commission on the urging of the chairman at that time.

[5:30]

All right. It has delayed legislation as I can see it, by a couple of years. When I heard of that decision by the commission, taken in all good faith no doubt by the commissioners of that commission, my heart fell. I was severely disappointed, because I knew that from there on in we would not get legislation until that whole process had been reported. That's in essence, I believe, what's going to happen, therefore in some areas delaying the necessary changes which could have been in effect for some years by the legislation brought forward, probably no later than the spring of 1975.

Let's take the other side of the coin. I have been told by a commissioner that the last legislative changes brought to the House on the Human Rights Code came as a surprise to the commissioners, that they were not aware that legislation was going to be introduced, they had not been consulted. Not that they were saying that the changes were not changes of which they would have approved and so on, but that they, as a commission, were not consulted with respect to the last amendments that came through, that were presented before the House in terms of the Human Rights Code.

That's the relationship I am asking about. There seems to be something basically at fault in the ministry on its communications with the commission. On one hand they charge off and do something, make a decision, in all good faith, which will delay legislation by two years; and on the other hand they are not made aware or forewarned of legislative changes; changes which they would not quarrel with perhaps, but they were not consulted about it at the time the latest changes were made.

Hon. B. Stephenson: Well, Mr. Bounsall, I cannot verify, nor can I deny, the statement which has been made to you—by a former commissioner?

Mr. Bounsall: By a commissioner.

Hon. B. Stephenson: Presently a commissioner?

Mr. Bounsall: Presently a commissioner.

Hon. B. Stephenson: That narrows it down to one person. I can't verify that because I do not know whether this happened or not.

Mr. Bounsall: Do you not think that opposition MPPs talk to anybody?

Hon. B. Stephenson: No, no; that isn't what I meant. What I meant was there is only one member of the commission, one commissioner now, who was a commissioner at that time.

Mr. Bounsall: Hold it. The recent changes in the commission I am not that up to date on. You say a present commissioner, it may be a now former commissioner.

Hon. B. Stephenson: Okay; that I cannot validate or deny, but I can tell you very honestly that the communication between the commission, between the executive director, between the chairman and the deputy minister and myself, is not only frequent, it is frank, it is open and it is at times prolonged; not unduly perhaps but lengthy.

Mr. Bounsall: Are you saying then that the communication gap may well be between the reports given to the commissioners, they are aware that this amount of consultation is going on?

Hon. B. Stephenson: I don't think so, Mr. Bounsall, I really do not think that. Whether it happened before or not I can't tell you, but I do not think that that is happening now.

Mr. Bounsall: Well it is a bit of a concern, on both sides.

Hon. B. Stephenson: I really don't think it should be a concern at all at this stage of the game, because there is a great deal of communication between the chairman and the commissioners themselves; between the executive director and the commissioners; between the field officers and commissioners; amongst all of us.

Mr. Bounsall: Well perhaps I should ask that question directly. The last changes that came through on the code, from the executive director, to your knowledge were the commissioners, at a meeting of the commission, forewarned of this, did they know about this; or did it in fact, as far as you know, could it have come as a surprise to them?

Mr. Brown: I am not aware, unless I have had a lapse of memory, but—

Hon. B. Stephenson: You don't have lapses of memory, George.

Mr. Brown: Not on the part of the commissioners! Mr. Bounsall, I can't honestly say that legislation has been introduced, or amendments to the code, of which commissioners are not aware, because most of these would have been discussed at commission meetings. Sometimes commissioners forget what happens several meetings back or something they might have discussed, and when this is drafted into legislation, it does not reflect what authority has discussed, because there is a difference between a policy discussion and a drafted amendment and they might not recognize it as the same animal. That's the only way that could have come about.

The last amendments to the code were done under a different chairman and some of the commissioners who were there at that time are no longer on the commission. So looking back, it's conceivable that a commissioner might not have recognized the amendment. Because they're debating something and discussing that this should be done and when it's drafted and put into legal terms, they, not being lawyers, probably figure that maybe there was a change somewhere but are not aware that there has been any sort of communication gap. There might be perception on the part of certain commissioners under the old commission, but I do not know. That has been the problem.

Hon. B. Stephenson: It's my strong feeling that it is no longer a problem.

Mr. Bounsall: I'm glad to hear that it is no longer a problem as to perhaps some of the ex-commissioners and I'm not up on the

recent changes in the board. I don't know what's been happening to my mail of late; was that announced as a press release?

Hon. B. Stephenson: What?

Mr. Bounsall: Just who the new commissioners are?

Hon. B. Stephenson: We haven't appointed any new commissioners since—

Mr. Bounsall: You said there's only one left from the previous commission. Are there vacancies then at the moment?

Hon. B. Stephenson: No, when the chairman was appointed those members of the commission who were civil servants were removed from the commission and the commission now is entirely non-civil servant. It was at that time that the personnel of the commission changed.

Mr. Bounsall: You mean there's been no changes since?

Hon. B. Stephenson: No, no.

Mr. Bounsall: Oh, well we're talking about something which happened a fair length of time ago in terms of that change.

Hon. B. Stephenson: July, 1975, was it?

Mr. Bounsall: That's 16 months ago. These feelings coming from commissioners on the present body.

Hon. B. Stephenson: The last amendments were made in January, 1975.

Mr. Bounsall: I would think that they may well be referring to consultation with respect to the pensions.

Mr. Hodgson: You're getting in deeper all the time, Ted.

Mr. Chairman: Order, please.

Mr. Bounsall: The 3(g) stuff.

Mr. Brown: Section 41(g).

Mr. Bounsall: Section 1(g)?

Mr. Brown: Section 41(g); there was a task force on that.

Mr. Bounsall: Yes, I'm quite aware of all of that and all of that activity that took place about it, the report on that task force and when those changes came in with respect to that and so on. That may well be the area in which the commissioners felt that somehow they were not informed as to what was going on in that area.

Mr. Brown: A member of the commission was also a member of the task force.

Mr. Bounsall: I'm reporting on what I've been told by a commissioner, who said it was felt by others and there was some heat with respect to the supporting of it, of not being, they felt, properly informed.

Mr. Brown: I see, quite conceivable.

Mr. Bounsall: Maybe when the people are cross-transferring, they should maybe be asked to make sure they cross-transfer the month-by-month nuances of feeling in terms of changes that are upcoming then to clear up that point. That's all I have.

Mr. Kerrio: I'd just like to make a couple of comments in a particularly narrow spectrum that I'm interested in and that has to do with the help that we give the physically handicapped in regard to their ability to become mobile. I think in that portion of the bill where it deals with human rights we would well serve the public if we in fact enlarged on what's being done in the larger centres—but I must say not to any degree in the smaller centres—as far as helping physically handicapped people get about is concerned. That is with depressions in construction of sidewalks and roadways, elevators in buildings, in the public transit vehicles.

I feel that if we could enlarge on the help in that specific area, give them more real help, we would make physically handicapped people more self-sufficient so that they did in fact participate more in the community, not only in the role of job-seeking, but in being able to avail themselves of all the things that we attempt to provide to all of society.

I was really given a privilege in welcoming the handicapped athletes from Israel to Niagara Falls, and I was completely astounded and it was something that I had never been exposed to before. It was a revelation to me to see what can be done by those people that are handicapped with just the fact that we helped transport them down there to that area and to see their ability and what they could do in the games. If we could extend that sort of physical ability into other areas and possibly by getting them out into the community more, and having people really see what they would be capable of, I think it would be a great, great way to get this started in that direction.

So I would say, in something of a positive vein, that if we could get the other ministries to co-operate in designs of building and equipment and roadways to help those people move within our community, we would

give them the self-respect and self-sufficiency that would help them get jobs and be less reliant on us. That would be something that I would be most interested in.

Hon. B. Stephenson: This most certainly came out at several of the special review committee hearings. It has been the policy of the government in construction of its buildings to ensure access to the handicapped specifically. This is also included in the National Building Code, that public buildings must provide this access. But interestingly enough at several of the hearings, where the hearings were held on the second floor of the municipal offices, the commissioners were informed that many of the handicapped were not going to be able to attend. In Thunder Bay, they were carried in their wheelchairs up the stairs. Some of them had never been in the municipal buildings in that city because there was no access for them to those buildings and this was brought out very clearly and very vividly to the commissioners, and I'm sure they are going to be making some recommendations about that.

Mr. Kerrio: Thank you, very much.

Mr. B. Newman: Madam Minister, just as an aside, the select committee that sat on the use of the schools made a whole series of recommendations on this.

Hon. B. Stephenson: Yes, I know that.

Mr. B. Newman: And to the credit of the government, they have acted in some instances. But we still have far to go.

Hon. B. Stephenson: Particularly in schools, because this is a local area problem.

Mr. B. Newman: And very possibly in the smaller communities.

Vote 2205 agreed to.

On vote 2206, Labour Relations Board programme:

Mr. Chairman: We have 15 minutes left. How many speakers do we have? We have two.

Mr. Bounsall: One of the major concerns that has been brought to my attention is how the board is handling what appear to be frivolous charges laid under section 79. Section 79 of the Act is the lack of clear representation by union representation and a very necessary section of the Act.

I'm not saying anything about the validity of that section or the proper use of that

section. Where the complaints have been coming in has been where frivolous charges have been laid and the board then goes through the whole mechanism, including the hearings and so on, and tying up, therefore, a lot of board time.

The information I've also been getting is that in the past few months—perhaps the board can comment on this—there have been a number of hearings in which the chairman only is there. Again, the reason stated at the time is the number of cases to be heard, how hard-worked the members are, so that many cases are heard just by the chairman instead of the three-man board.

[5:45]

I know there are time delays, time delays which worry the board and worry anybody appearing before the board, but one of the ways in which one is going to be able to cut down delays of hearings and so on would be to get frivolous charges dealt with. I'll give you a specific example of this—I have more than one—but before I start, I know that the board has worked hard to change some of its operations so that it can get out and look at situations which are occurring, at potential problems that could come before the board in terms of certification and so on, to have field officers do pre-work out in the field and hopefully cut down on the number of those kinds of cases coming before the board.

Here's an area which I think does seem to have some jurisdiction. It was a complaint laid at Douglas Aircraft last June—by the way, the case was heard only in mid-October, again I understand with the chairman only—involving discrimination with respect to layoffs under the super seniority arrangement. Super seniority is the general term applied to what has appeared in union contracts by and large for 25 years, and that is, at the time of lay-off the people with the highest seniority are those elected officials of the union; that is, the executive officers, the plant chairman, the committee men and the shop stewards.

In terms of a long-term layoff, I know that many of those people in those positions have taken their normal seniority and have not used that union seniority right of election which they have to retain a job longer than an old-time employee. This is the way it operates in some areas, and whether it's right or not it's been in most union contracts for 25 years. This was what the complaint was about.

It's quite clear—though I don't think the decision has been reached—to someone looking at this case, to say "Look, it's in the agreement. It's there, it's written in the agreement, there's the clause. There should not be any problem with it. This is not something which the board can take out of your contract. If you want it out of your contract it's up to you and those people concerned about it to say at the next bargaining session that that is removed from the contract."

These are well known clauses in all union contracts. It wasn't as if the board was surprised by this. They sent an examiner out. The examiner knows this type of thing has been in union contracts for years in Ontario. Now why did this find its way to board, with this very well laid down mode of operation, so substantially in practice in the province and in union contracts for many years?

It brings up the question, in terms of your field examiners going out and trying to resolve cases before they go to the board, just what happens to their reports? For example, why didn't the examiner recommend no hearing in this case? It was obviously a union contract problem which can be resolved only by the union, in its bargaining, agreeing to take this out of the contract if the membership so wished.

If he did report back, where, in fact, do the examiner's findings go? Where do his recommendations go? Or is his role to be one of simply trying to persuade and suggest to the person putting in the charge that it's really not a valid one? Does he have the power to recommend no hearing, and if so what happened to it in this particular case, and cases like it?

This was a UAW case, but I've had complaints from other locals where they have to have these hearings on charges which they know are frivolous, but they spend at least a day of a staff member's time and the costly services of a lawyer to hear what in essence is, in their viewpoint, and certainly in the case I presented, a very frivolous charge, one which is covered by the contract. An examiner going out, looking at the contract, knowing the practice, should have been able to report to the board—with a suitable letter therefore coming from the board—as to what the problem was, rather than go through the day of hearing, often in some of the other cases that have been brought to my attention, being heard in various communities across Ontario, one in Ottawa, one in London and so on to which, presumably, they had to travel.

Professor Carter: Perhaps I could respond to that. The first point is that only a very small percentage of the cases under section 79 actually relate to section 60 which imposes the duty of fair representation. I would think about 15 per cent of the complaints under section 79 relate to section 60. I doubt whether we would deal with one case a week under section 60. However, section 60 is there. I'm familiar with the case you refer to, involving Douglas Aircraft and the UAW. That case is under consideration at the moment by a panel of the board.

Mr. Bounsall: I'm not expecting you to comment on a decision which hasn't been made yet.

Professor Carter: Yes. As to the role of the officer, the function of the officer is to act as a mediator, to attempt to bring the parties together. The officer doesn't make a final decision. I think it's important to realize that in this kind of case, we fall under The Statutory Powers Procedure Act so if the matter is not settled, we're under a statutory obligation to call a hearing in the matter, even though we might regard the case as being a vexatious one.

Mr. Bounsall: Surely what you need is some changes in the Act, bearing in mind the number of cases you get and how busy you are down there, which would shield you from having to deal with what can be determined by an examiner, in your opinion, who would be one who would make the decision inevitable. Surely you need some change in the legislation which gives you some jurisdiction in this area to say, "This is not a matter which can be handled any other way but across your union bargaining table. It's in your contract. It's been there for a while. These are the steps—" without spelling it out in detail—"that you need to take to change it. There's nothing we can do if you bargained for it and got it."

Professor Carter: One of the problems you always face is that what's vexatious to one person isn't vexatious to the other person. That's why we are required, and I think this is right, to hold a hearing on these matters because it's quite possible that an individual might have a real feeling of grievance on the matter. Sometimes it's better, even though it's costly, to have a full hearing on the matter so that these grievances are aired.

I should point out the first step is always an attempt to get a settlement through the labour relations officer.

Mr. Bounsall: So he acts only as a mediator?

Professor Carter: That is correct.

Mr. Bounsall: I gather from what you say very clearly that he cannot make representation as to the worth of the case, whether it's frivolous or not, vexatious or not?

Professor Carter: Only in the very odd case, when it's extremely clear cut. The board does have a discretion, I should be frank about this, actually to schedule a case. There might be the odd case in which we think the complaint is totally vexatious. The point I'm making is one has to be very careful about determining what is vexatious. What is vexatious to one side isn't necessarily vexatious to the other side.

Mr. Bounsall: Would you say, from the position where you sit on the board, that most of the complaints under section 79 and section 60 are not frivolous in your opinion?

Professor Carter: I think in most of them there's a deep-felt sense of grievance.

Mr. Bounsall: Understood.

Professor Carter: I should point out that most of them do not succeed. The board imposes a fairly tough standard on people who come under section 60 and a fairly lenient standard on the trade union. We say the trade union has to act fairly without discrimination but that's a fairly lenient standard. What we attempt to do is to allow some elbow room so the grievances can be settled by the trade union rather than being resolved at the board.

Mr. Bounsall: It's costly in your time.

Mr. Chairman: Mr. Bounsall, with all due respect, you have overrun your time.

Mr. Bounsall: Are we splitting it, Mr. Chairman?

Mr. Chairman: That's what the understanding was.

Mr. Bounsall: If I could ask a series of questions which I would like the board, at some time in the near future to respond to publicly—

Mr. Chairman: Let Mr. Newman ask his question and then if there is any time we'll get back to you.

Mr. B. Newman: Let Mr. Bounsall go. He'll be reasonable with me.

Mr. Bounsall: How much time do you need?

Mr. B. Newman: Oh, about three or four minutes.

Mr. Bounsall: I would like to know if the board under the new legislation has, in fact, taken the initiative and laid any bad-faith bargaining charges itself, which it is now empowered to do, and if not, why not?

Have there been any automatic certifications that you have granted as a result of the changes in the Act which made it easier for you to look at a situation where the employer has intervened at what you could call an inappropriate time in the certification, and allow you under the situation of the clear intention of the employees not being able to be determined, to automatically certify that bargaining agent? That's another question.

Finally, under that section dealing with provision of financial statements by union organized workers, how many requests have you had for those financial statements, a power which the revised Act has given you? How many of those that you had, if any, have you required to be audited, which the Act empowers you to do? This is a concern of mine because of the expense for the small locals. And have you gone anywhere yet to develop a standard minimum financial requirement form which you can show to people who complain, or to small locals who maybe don't have much of an idea of the financial statements which should be accruing on a fairly regular basis, apart from their main union report which is usually handled with no problem, the smaller local report which goes to their members? I would think that when these instances arise—and I don't know whether they have arisen or not, that was my question—that part of the problem is often not a deliberate one, but is simply a result of the union not knowing what they should expect to be giving to their membership in terms of the details of a financial report and what would be reasonable for the membership to be expecting.

I was going to get into some Waisberg stuff too, but I will leave that aside.

Professor Carter: I can answer the first two questions; I can't answer the third right off.

Mr. Chairman: Could we have the answers then briefly, please?

Professor Carter: In response to the first question concerning the initiation of bad-

faith bargaining charges by the board, as the procedure exists it's not up to the board to bring the charges, it's up to the parties to bring the problem to the board. We have had quite a number of cases where the problem has been brought to the board and I think the board has been reasonably successful in exercising that jurisdiction.

Mr. Bounsall: To move on its own?

Professor Carter: No, no, I want to make this clear, the board does not move on its own. It's up to the parties, and in fact they proceed under section 79, the same section they would proceed under with a section 60 complaint. It's up to the parties to bring the matter to the board in the form of a complaint. The board doesn't have an independent discretion there.

In answer to the second question, to my knowledge there have been no certifications under what is section 7(A) of the Act, where employer conduct justifies automatic certification. As I say, I can't give you an answer offhand on the third question, but I could certainly supply that very quickly.

Mr. B. Newman: I won't be too lengthy, Mr. Chairman, but I wanted to ask of the minister, why the Chrysler foremen were denied the right to set up a unit of their own?

Mr. Bounsall: It's certainly a matter of great interest.

Hon. B. Stephenson: You can ask me but I think it would be more properly answered by the chairman of the Labour Relations Board.

Mr. B. Newman: Rather than take up that time—because I wanted to ask two other questions—could I get that in a letter from you?

Professor Carter: Yes, indeed.

Mr. B. Newman: Maybe you could send me a copy of the decision.

Professor Carter: Yes.

Mr. B. Newman: Fine. The other thing I wanted to ask was, is the ministry involved in the K-Mart situation in the city of Windsor? Are you attempting to resolve that?

Hon. B. Stephenson: Yes.

Mr. B. Newman: To what extent are you?

Hon. B. Stephenson: Through mediation and conciliation services.

Mr. B. Newman: How far have they progressed?

Hon. B. Stephenson: I don't have a report today and none of our mediation and conciliation people are here, as a matter of fact.

Mr. B. Newman: All right, then you can provide it to me so that we can quit at 6 o'clock.

Hon. B. Stephenson: Yes.

Mr. B. Newman: Have there been many grievances or complaints registered with the board concerning October 14?

Professor Carter: We had only three complaints and in fact we dealt with only one. After we dealt with the first one the other ones were settled. There were three in total.

Mr. B. Newman: Okay. That's 6 o'clock, Mr. Chairman. Thank you.

Vote 2206 agreed to.

Mr. Chairman: This completes the estimates of the Ministry of Labour.

The committee adjourned at 6 p.m.

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 Cunningham, E. (Wentworth North L)
 di Santo, O. (Downsview NDP)
 Grande, A. (Oakwood NDP)
 Haggerty, R. (Erie L)
 Hodgson, W. (York North PC)
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 McClellan, R. (Bellwoods NDP),
 McNeil, R. K.; Chairman (Elgin PC)
 Newman, B. (Windsor-Walkerville L)
 Shore, M. (London North PC)
 Stephenson, Hon. B.; Minister of Labour (York Mills PC)
 Williams, J. (Oriole PC)

Ministry of Labour officials taking part:

Adams, G., Assistant Deputy Minister
 Armstrong, T. E., Deputy Minister
 Brown, G. A., Executive Director, Human Rights Commission
 Carter, Professor D., Chairman, Ontario Labour Relations Board
 Radford, D., Employment Standards Adviser, Staff Branch
 Scott, J., Director, Employment Standards Branch
 Skolnik, M., Director, Research Branch



Legislature of Ontario Debates

SUPPLY COMMITTEE—2

**ESTIMATES, PROVINCIAL
SECRETARIAT FOR JUSTICE**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, November 10, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

WEDNESDAY, NOVEMBER 10, 1976

The committee met at 3:15 p.m.

ESTIMATES, PROVINCIAL SECRETARIAT FOR JUSTICE

On vote 1101, justice policy programme:

Mr. Chairman: The justice policy field has only one vote and therefore, whatever the range of matters, anything can come up. Does anyone wish to comment?

Hon. Mr. MacBeth: Mr. Chairman, you have suggested that we can talk about anything. I know you have had all of the four ministries before you for their estimates so I expect you could keep it to the policy end of it. I know that is difficult to define—it's difficult for me and I can realize it is difficult for others as well. I would like to comment briefly by way of introduction to these estimates. As you are aware, the justice field includes the areas of consumer protection, law enforcement, the administration of the courts and the custody and rehabilitation of offenders. It is my responsibility and that of the secretariat to provide leadership in policy development and to co-ordinate the related programmes of government within this field.

As distinct from the estimates of the four operating ministries, these estimates relate to the secretariat task of analysing the policies, developing policies and co-ordinating the efforts of the component ministries. Co-ordination is essential in light of the fact that no matter how advantageous it may be for one ministry to take certain actions or to propose certain changes, those actions or proposals could almost certainly have an effect on the other components of the system. Equally, while policy development is an integral part of an operating ministry's function, there are policy initiatives which, because of their interministerial implications, are appropriately undertaken by the secretariat. The cabinet committee on justice, of which I am chairman, meets each week to analyse proposals of its member ministries, to ensure consistency in the application of justice policies and to examine issues of concern to the policy field.

A number of legislative proposals have already been dealt with or at present are before the Legislature. The cabinet committee and I are supported in these activities by a small secretariat which participates in the development of policy positions on matters concerning more than one ministry and the justice field generally.

The secretariat with its multi-ministry interests, besides serving in a co-ordinating and communicating role between ministries and the policy field, can provide the liaison with other policy fields and, most importantly, with other levels of government, non-government organizations and the public. I'd be pleased to provide details of these activities but some examples which will briefly illustrate this function are as follows:

Convening and co-ordinating the Ontario Native Advisory Committee on Criminal Justice; promotion of interministry planning and facilitating of training at both provincial and inter-provincial levels. Co-ordination of response to such federal legislation as the young persons in conflict with the law, and the current peace of security legislation. The undertaking of several initiatives in relation to alcohol-related offences, including a current study of offences in which alcohol is a factor; and documentation as regards the incidence of public drunkenness. The preparation of booklets directed to a greater public understanding of the justice system in which certain specific offences are of widespread concern.

Finally, the initiation of several activities related to issues of a planning and development nature in the criminal justice system, including the place of environmental design in preventing crime, alternatives to prison sentences designed to alleviate crowding in the jails, and concerning the programmes and priorities in northern Ontario.

In previous years, in debating these estimates I note that many questions were raised relating to the staff of the secretariat, its role and its activities. In order to give you a picture of what those activities are,

we have prepared material which provides you with information on the staff and which indicates some of the activities in which they are presently engaged. Those of you who remember previous debates will recognize that there has been almost a complete change in personnel. I think you will agree that we now have a group of people who have the training and experience which the work demands.

There are other aspects of their work than those which are listed in that information. One of the most important, of course, is their function of analysing submissions and proposals which emanate from the member ministries or which are initiated, for example, in other levels of government. Two good examples of the latter are the peace and security package of the federal government and proposals contained in amending The Juvenile Delinquency Act.

Again, in order to give you an indication of the staff's involvement I have asked that material prepared in relation to these two pieces of legislation be circulated. I don't know whether you have done that yet or not, Mr. Sinclair, but if not—that is now being done.

I will conclude these brief remarks, Mr. Chairman, with the statement that I will be pleased, with the assistance of Mr. Sinclair, who is now my deputy, to answer the questions which the members of the committee may have.

Mr. Chairman: Thank you very much, Mr. Minister; we are appreciative of that opening statement. Does anyone wish to launch into a debate?

Mr. Breaugh: Mr. Chairman, it's rather difficult to get the information handed to you one minute and make some specific comments on it the next so I won't even try. I want to ask some general questions for starters. Since there seems to be a good deal of confusion about exactly what is the justice secretariat and what function it plays—are you the minister? What is the proper title? Minister, sir, or super minister, sir?

Hon. Mr. MacBeth: No, just the Provincial Secretary for Justice.

Mr. Breaugh: Okay. Provincial Secretary of justice.

Hon. Mr. MacBeth: I think there is a difference between "of justice" and "for justice," but I can't distinguish exactly what they tell me. It's secretary for justice.

Mr. Breaugh: Okay.

Mr. Chairman: Do you notice how grotesquely humble they all are with respect to the super ministries?

Mr. Breaugh: Telephone booths are in short supply these days. Changing to Superman, I suppose, is sometimes kind of difficult.

I want to deal with some very general problems because I think that essentially what is to happen in the secretariat is the co-ordination of the justice field in the province of Ontario among the various ministries, and also a good deal of co-ordination is to be expected between federal legislation as applied or interpreted by somebody in the province of Ontario. I want to ask them how come we get things like a change in the laws regarding the roadside breath test for drunken drivers? We get that changed in the middle of the year, and it is very good legislation, and gets lots of press, and everybody knows about it, and there is only one hiccup in the process; nobody has the gadget. How do we get that kind of a smooth introduction of new legislation if we have a justice secretariat?

Hon. Mr. MacBeth: I suppose, because we have these things, it doesn't mean that they are always working as smoothly as we would like them to work. That was something with the Attorney General's office; the Attorney General met with the federal authorities over a period of time at the committee level. The Attorney General was represented on that governmental committee between the federal and provincial authority in pressing for this. The Solicitor General's ministry was represented by somebody from the Ontario Provincial Police. Eventually, the federal authorities were convinced that they should change the regulations to permit this, going on the discussion of it and the proposals were discussed for a number of weeks and months; I am not too sure how long they met. But when they finally changed, it did come suddenly as far as the Solicitor General was concerned and the Attorney General as well. Just about the same time it was announced in the press it was now permissible, and we certainly had no special provision in the budget. The equipment was not expensive, about \$400 each, and that, however, is one of the minor matters. Finance is the thing that regulates us. In other words if we had known in advance, about a year in advance, that this was going to happen when it did this fall, then we would have made provisions for it. But there was no assurance that it would happen, and therefore there wasn't any provision. Now the problem at this point, as

far as carrying out the policy, is not just the supplying of the gadgets, as you call them, because they are not that expensive, but the problem is now training the personnel to accomplish this, and setting up the personnel to carry on the roadside checks, which is a somewhat different procedure from that which they are in the habit of doing. We now have to train personnel to operate these, and not only train them but supply them with a check-point position. So I hope that within the next few weeks we will have some of these in operation. It will start small; we would like it to start large, but I have given you some of the reasons why it didn't start large—because we didn't know long enough in advance to either buy the equipment, train the personnel, or have the provision for them in the budget to carry out these checks.

Mr. Breagh: Okay, let me indicate another smooth transition period that is going on. The Treasurer is announcing that regional police forces are going to have to assume work now done by the OPP and he is going to save \$3 million, and replace 120 some-odd police personnel in the OPP. Oddly enough, in checking around, the OPP can't figure out who is going to lose the jobs where. In my area, they don't think anybody. Regional police forces weren't consulted in this process, and I would have thought that they would have been. In my region, in Durham, they actually have a plan that they have had approved in July of this year for a progressive takeover over a period of about six years, to police the region of Durham. The police commission agreed to it in July. In September the Minister of Treasury, Economics and Intergovernmental Affairs (Mr. McKeough), or whoever it is, announced that is all going to happen next March 31.

[3:30]

If we are co-ordinating the Ministry of Justice, how do we get that kind of a screw-up in the process? I mean, surely there should have been consultation, and surely you, as the Provincial Secretary for Justice, should have been doing that co-ordinating? I don't see how you approve of plans to take over the policing of an area in July through one agency and then turn around on that in September through another minister. How does that happen?

Hon. Mr. MacBeth: It would be fine if monetary policies didn't change, but monetary policies, as you know, have changed, and I think with good reason. They reflect the times, as you know. If we could predict years in advance what the economy of the

country would be, what the tax rates were going to be and how our own finances would fare, then we would not have to change policies part way through. That is one of the realities of life. We can't always plan three or four years in advance, and the economic changes were one of the factors that was involved in that.

In fairness to the government, in regard to regional policing they have been on notice right from the start that they were expected to take over policing of their own areas immediately. Naturally, they being human likewise have dragged their feet hoping that the province would continue to do the policing, as we have in fact done in many areas, and thereby relieve them from a financial burden. You will recall in the Solicitor General's estimates earlier this year, I was asked by Mr. Germa about the Sudbury situation, where they have assumed their responsibility in full as they were supposed to, and whether I thought it was fair that areas like the Niagara region and Durham and some of these others had not. When Mr. McKeough announced an increased grant for policing he, at the same time, decided in consultation with me that now is the time that these regional police forces, if they are receiving greater grants than the non-regional police forces, should take over the responsibilities that they were really charged with doing some years ago.

Mr. Breagh: Let me be specific then about the Durham region. When that region was instituted, the point was made very strongly by the members of the council at that time that it was an impossible task to set up a regional police force and then completely cover the region. At that time the government not only agreed, they wrote it into the legislation. The Durham police force then went to work on a plan for the phasing in of the operation, working with the Ontario Police Commission all the way through. The culmination of that in July of this year was an agreed-upon plan for the phasing in of that police operation. The thing stood for two months and then got kicked out the window. In terms of economics you are taking money off the provincial budget, that's true, but you are sloughing it on the region of Durham to the tune of about an extra \$600,000, and to add misery to sad conditions the arbitration award was just handed down about the two-man police patrols there in peak hours. That's going to whack their budget again. You are asking them to run out and buy the new gadgets for the roadside testing. That whacks them again. You are supposed to be co-ordinating all of this

so that some rational approach is taken to it all. It's tough to find any co-ordination for starters, or to determine whether there is any rational approach going on. There seems to be a lot of disjointed things happening. It is true that money will probably not show up in the provincial budget for OPP patrols in that area this year, but according to the two OPP stations that I checked with, a possibility of a reduction of two officers by attrition; a possibility, but not necessarily. So from their point of view, they won't save a nickel on their police budget for OPP forces in the Durham region next year. I do know that the region of Durham police force is going to get hopped on for about \$600,000 even with the additional grant. That's hardly a co-ordinated approach to policing in that area as one example. I have to point out, in other areas I am told there wasn't an approved plan but there were some talks going on. Again, if you are the person responsible for co-ordinating that action, you don't let somebody sit on the back burner for five years and ignore them totally and then jump on them in one year. Surely it must have been your responsibility to co-ordinate that implementation of a total regional police force in all of these areas. You should have been demanding an acceptable phasing-in process, agreed upon by the local police commission and by the province of Ontario. How does all of this happen if we are co-ordinating this stuff?

Hon. Mr. MacBeth: At the same time this was done, the Treasurer announced an increase of grants from \$12 per head to \$15 per head for everybody in the region. That was part of the arrangement when they said "you take over the police forces," so that they are getting an extra \$3 a head for everybody in the region that they didn't expect to get earlier in the year. So that certainly changed it. Now, it may be they would rather not have had that \$3 a head but they didn't object to the change in plan giving them more funds, but they have objected to change in plan that they should do more of their own policing.

Mr. Breaugh: With all due respect on that particular point, you are trying to convince me that if you give me a bill for \$10 and \$7 to pay it, I should be happy. And I am telling you they are not happy.

Hon. Mr. MacBeth: I know they are not happy and they have been in to see me.

Mr. Breaugh: When are you going to make a decision on that, by the way?

Hon. Mr. MacBeth: I don't know; the other regions want to come in to see me. If I hadn't been here this afternoon, I would have been seeing the Peel people in my ministry at the present time. When I say my ministry I am referring to the office of Solicitor General; they are in seeing the deputy.

Naturally, they are not happy. I can't say any of the regions are happy in connection with this because it does put more financial burden on them. But I also have to answer to the member for Sudbury as to whether this is fair that Durham and Niagara and Hamilton-Wentworth should be getting not only the regional police grant per capita but that they should also be getting a great deal of assistance from the OPP, which they are not. So the regions were on notice. They have been dragging their feet, and I say that not to be overly critical of them, but you are trying to say that we are the ones that changed plans, and they have known what the intention was from the start. You refer to Durham as having a scheme. I will agree that Durham was preparing and did have a scheme you refer to as the approved scheme. I don't know who approved it, but—

Mr. Breaugh: Police commission.

Hon. Mr. MacBeth: —there was some understanding with the OPC or the provincial police. I don't believe it was a matter that was ever drawn to my attention.

Mr. Breaugh: Well it was; I saw the letter, the correspondence on that.

Hon. Mr. MacBeth: However, their position is still under consideration.

Mr. Breaugh: Let's just set that aside for the moment; you are trying to sell me something for \$10 and give me \$7 to pay for it. I am not agreeing that that is a good bargain on my part. You are trying to tell me that they may or may not—you see, part of the problem is I frankly thought that in that instance, the region of Durham having—and there are battles on regional council and among the police commissioners about how quickly it was phased in and all that. That's a lot of work, and I know the chief personally and I know that he spent a lot of time preparing that plan and thought in July of this year that an agreed-upon plan was there, and I think when he gets correspondence from the police commission saying "that's good and we accept that," that that is pretty official stuff.

Let me move to another thing the chief pointed out to me and I think quite rightly. When the Treasurer announced in September "we are going to chop this off by next March 31," they have to get a budget ready for next year which has to go to the regional council.

Budget will be in preparation now. By the time it gets approval of the regional council, it will be at least February and most likely some time in the latter part of March. You are proposing to say that by the end of March—he has I think something like 70 new officers out patrolling areas—that he is able to buy equipment, he is able to train those people and get them on the road. Physically, he wouldn't have permission from the council to hire new officers until the end of March. How would he get them on the road by March 31? We talked to people at the police college. They couldn't train that many people between now and next March. You couldn't recruit, train and get them on the road by that time at all—and yet the Treasurer is announcing it's all going to happen by next March. How does that come about? I mean, that doesn't seem to me to be a rational approach. A rational approach to me would have simply been for the Treasurer to make some grand announcement that he is going to serve notice on these people that in the next budget year, they will have to take into consideration hiring additional personnel and patrolling additional areas, and then you could argue over the economics of the situation. But just physically recruiting, training and getting people on the road couldn't be accomplished by next March. As the person responsible for co-ordinating this administration process, how does this happen? Doesn't this go through you?

Hon. Mr. MacBeth: I won't say that there wasn't any discussion between myself and the Treasurer in connection with the increased grants, there certainly was. The Treasurer and the government has been asked by us over a number of years to keep pressure on the regional areas which have not assumed their policing responsibilities as the regional Acts say they should, to see that this is possible. We have been keeping that pressure on, but as I say they are the ones which have been delaying the day of assuming them.

Now when you talk about Durham, you are arguing the most poignant case of all. As I say, they have made representations and that decision has not been made. But in all of the regions affected, some of them with less legitimate claims by far than Durham has, also

are in the process of making representations to the Solicitor General. That process is going on, and in fairness to all of the regions, if there is going to be any remission from the original announcement of the Treasurer, the cases of all of them should be weighed before any overall decision is made.

Now Niagara region want to come in and see me next week, I think it is; Hamilton-Wentworth I think is picking up its responsibility; and I am not so sure that Halton region has requested an appointment; but we will be moving it along as quickly as possible.

As I say, you are putting forth the case of the region that is hardest hit by this decision.

Mr. Breagh: The thing I feel badly about is that they acted, not only in good faith but they worked long, hard hours to put this thing together. They have a tough job, it is a huge area to patrol.

In my view the region of Durham, especially the board of police commissioners in this instance, confirms to the letter what the province had previously said it wanted done. I really feel they were rather betrayed in this process. Now maybe inadvertently, and perhaps it is not too late to rectify that situation, but you put an unfair burden on them.

Could I move to another area in the administration of justice that I think is causing a bit of a problem? It seems to me there is an immense amount of silliness appearing in the public press about police officers these days. A couple of recent examples come to mind.

Is it the biggest event in the world that police officers don't wear their hats in a cruiser; and yet we see full page ads in the Toronto papers about that particular item. I would think that as someone who is responsible for coordinating the justice system you should be concerned that the people who are on the front lines of the justice system, the police officers, are running around engaging in arguments, and the arguments are coming probably stronger from the other side, over whether or not they wear a hat in a cruiser. That has got to be one of your great issues of all times.

Are you happy with that kind of public relations programme that is at work there?

Hon. Mr. MacBeth: No, I am not, sir; I feel it is a very childish issue. Yet I am not one who wants to see the standard of dress or conduct of police officers in this province slackened in any way; nor do I think that the average policeman wants to see that.

Now I am criticized from time to time that numbers for identification purposes are not available. I understand that that is where the Metropolitan Toronto Police carry their numbers, on their hats; but apart from that, I don't personally like to see a police officer not wearing his cap.

I don't think the Metropolitan Toronto Police Commission has made a great issue out of it. I think they are hoping that the police association, which seems to be promoting this, will quietly let the issue die, and I hope they will, but I don't know whether any great pronouncement from the Solicitor General or the Provincial Secretary for Justice, would help the situation.

If you think there is some way that I should be handling this issue that I am not, I would be glad to hear your advice.

Mr. Breaugh: The problem I want to bring to your attention is that that thing, and I call it a thing advisedly, had front page coverage for about three days. Now when you stop to think about it, maybe you can make the argument that they don't look neat unless they wear a hat; but if you look around in society, there are a lot of neat people not wearing hats at all, and you would have a tough time making that case.

[3:45]

There are a lot of automobiles those police officers are expected to drive in which you can't physically wear a hat, because it won't fit; nobody else in the society is wearing a hat these days and it is wasted space. There are officers who have related, with some degree of passion to me, that if they wear a hat they can't see properly because it jams up against the roof.

It seems like such a nonsensical issue, that I feel somebody who is responsible for a justice system should be rather leery that that is the stuff that gets on the front pages. Are you going to lead the great fight now that police officers have to wear their hats because they look neat; and that Metro Toronto can't figure out another place to stick a badge, other than on the cap?

Hon. Mr. MacBeth: No, and I don't want to tell any of the municipal forces of this province how they should dress their policemen, other than that we do have some common rules about red bands and things of that nature; but again, you are complaining about it being on the front pages of the newspaper, it may be on the front pages of the newspaper tomorrow, if there are any press here,

because of the discussion that we have had today.

Mr. Breaugh: This will definitely make the front page.

Hon. Mr. MacBeth: Well, it might if there were any shortage of news. However, I think it is an issue that is not worth spending a lot of time on, or having me making any great pronouncements in connection with it. The OPP don't require their police officers to wear caps all the time, but if you want me to start regulating the Metropolitan Toronto police, I certainly don't think that is in the best interest of policing around the province.

Mr. Breaugh: I am really wondering, why does your mind run this way? Why can't the minister say: "Yes, I think they ought to wear their hats"; or "No, they shouldn't wear them"? Why do you talk in terms of regulations or giving orders to people? Surely some guidance can be offered by the Justice Secretariat without running around making new laws all the time, because it seems to me such an inane thing.

For the record, if anybody wants to know, I don't think that police officers necessarily have to wear hats driving around in the cars. I think they could function quite nicely, and I don't think that the rest of the population looks that sloppy because they don't wear hats. I have seen some pretty crummy looking hats on officers.

Hon. Mr. MacBeth: Mind you, you can take the attitude then that maybe they shouldn't have uniforms either. Those are decisions that vary with the person making that decision. You might not think they should wear hats; and the next person, with just as much justification, maybe thinks they should wear hats. It is a personal opinion. As I say, I don't think it is up to the Solicitor General to start setting the standard for what each police force across the province should do.

Mr. Breaugh: It would just be a reasonable thing, without making a big deal about it, to make your personal preferences known in some way; without giving orders to anybody.

Hon. Mr. MacBeth: No, I don't think so; because it is hard for the minister to have—my personal opinion really shouldn't make any greater difference than anybody else's personal opinion. As I say, for the reasons I have suggested, I don't think it would be wise for me to make an official pronouncement on that.

Mr. Breagh: That's unusual.

Let me move to another area that is kind of related, in the same field. Recently in Toronto there was a young person, a female, who apparently was hooped off the force because she couldn't run—what is it, a mile and a third in nine minutes or something? I wonder, do you expect Harold Adamson to run that mile in that time? Could the Provincial Secretary for Justice run it in that time?

Hon. Mr. MacBeth: I wouldn't be surprised if Adamson could; I can assure you the Provincial Secretary for Justice couldn't.

Mr. Breagh: I could drive it in that time, easily; not with a hat on, a hat slows me down all the time.

It does bring up the point though, that in most forces there is some kind of a physical fitness requirement which is pretty loosely applied in a number of areas. Do you have any comments on that one? That seems to be a somewhat more pertinent issue.

Hon. Mr. MacBeth: I think it is only pertinent because it was on the front page of the newspaper.

Mr. Breagh: No; can I stop you there? I don't think it is pertinent because it is in the paper. What is pertinent about it is that it happened to somebody; whether it makes the press or not is irrelevant.

Hon. Mr. MacBeth: It is pertinent in this regard, that police forces have standards of physical fitness and that I support. Now I think the police forces also realize that as a person gets older they may not be able to meet the standards of fitness that they meet when they are young; but I am all in favour of police forces having standards of fitness. I am also in favour of them carrying on with those standards, with some rationale.

That one happened to hit the front page because I gather she couldn't run as fast as she thought. But I also gather that there were some other things—in other words, if she had been able to do other things to meet their standards, that the running wouldn't have been the item that disqualified her. But I gather that she—and again I am just going by newspapers—also failed on other standards of fitness too. So yes, I am in favour of standards of fitness and I think they should be reasonably met.

Mr. Breagh: The issue I want to raise here is not necessarily each individual item, but I think there is a concern that the police

force is the front line of the justice system and it really is important that they be respected and dealt with in a serious and logical manner. I am not sure that is true any more, whether that is implementing regional police forces or whether to have to wear a hat or not to have to wear a hat.

There seem to be a lot of almost degrading things happening to them. I think it is degrading for a chief of police to work three years on a plan to implement regional policing and have it thrown out the window, almost at a minister's whim. I think it is degrading for police officers to have to read the front page every day and see that this week it is whether they wear a hat, next week it is whether or not somebody slept with somebody's else's wife, the week after that it is whether some young lady could run a certain distance within a specified time. That is not a very good public image of your front line of the justice system and I think individually they might not be very much but collectively, there is a problem being established there and I don't see much, at least in those areas where you certainly could co-ordinate, smooth out, make for a better and more respectful attitude, not just on the part of the public, but on the part of the police officers and boards of police commissions as well. I just don't see that continuity being developed there. I see it rather faltering all over the place.

Hon. Mr. MacBeth: Mind you, I am not going to suggest that these people shouldn't have access to the press, if that is the way they want to carry their case, but at the same time, most of these forces do have a grievance procedure that they can carry out if they wish to carry it in that way. Sometimes they choose to go the other route, or having gone through the grievance procedure and failed there, they take their case to the press, and that is one of the privileges that they have living in this country. I don't think it is the commission that puts those people on the front page and certainly, I am not for any kind of news censorship, but what happens in that way is up to the individuals involved if that is the route they want to travel. I regret it, but I don't know the answer and I don't believe there is an answer.

Mr. Breagh: The problem, I think, is that there is a lot of dissatisfaction among police officers. There are frustrations in a number of areas coming out over what seem to be some silly regulations here and there. Now maybe they are not silly, but there are some great problems with the police forces these

days, in terms of arbitration awards, in terms of regulations set by the board, and there doesn't seem to be a lot of co-ordination. I find some difficulty when a police force, whether that's the Metro force or the Durham force or whatever, gets all wound up on somebody's judgement which perhaps was right or perhaps was wrong, but that is front-page news for them. The hat controversy, which I thought was nuts, was an insane thing to have on the front page. I asked a local cop, and he said: "Well, in Durham, you can leave the hat on the seat. You don't have to wear it in the car." And yet it was occupying front-page space in the Toronto papers. I think that is really damaging to a system. It might not be the most important item, but collectively, they are.

I want to move to a couple of other areas and see if we can get some of your comments on this legislation that is being proposed. I see you have got a little outline here, "Peace and Security Legislation." What role are you playing as the co-ordinator for Ontario in all of this? These federal regulations and federal legislation are going to substantially affect people in Ontario. In a number of cases, it will be your agents who carry out that legislation. So what are we doing to participate in that process?

Hon. Mr. MacBeth: Well as you know, the federal peace and security matter has been discussed in our committee—when I say "committee" I mean in the policy field—and we covered a number of the proposals. Earlier, for example on gun control, the province indicated that it wanted to enter the field and thought it was preferable that it should be done with the federal government, and eventually the federal government decided to go with that as part of their peace and security legislation. We have discussed it at the official level back and forth and then finally they did bring it forward and introduced the bill, and you know what's happened to that bill since. Once they introduced the bill, for the most part our representations back and forth ceased at that point. I think that's general policy, that as a government we don't take an active part in the federal government's legislation when it is before Parliament, but we did have discussions with them earlier. In regard to other parts of it, they have asked our advice. For the most we deal with them originally from the individual ministry's point of view and that individual ministry may present a paper to the policy field, where we then get input from the other ministers and deputies and

the personnel in that field and decide whether we want to make any representations to Ottawa or not. A good deal of that work is done by staff and I am going to ask Mr. Sinclair if he would give more precise information on what goes on at the staff level when things such as the peace and security package is brought forward by the federal government and how the staff committees carry on.

Mr. Sinclair: Thank you, Mr. Chairman. There is very little I can add, except to say that one of the reasons for circulating this particular material to you was to give you an example of the kind of analysis that goes on with issues that are submitted to the secretary from a number of ministries. In the case of the peace and security package, there were, as the minister has indicated, meetings both in Ottawa and in Toronto of officials from both sides in regard to the general thrust of this legislation, although at that time we didn't have a package as it is here. As the minister has pointed out, when eventually the package was set down to us, then our staff, the secretariat staff, take a look at this as they would any submission from a ministry and underlines the pros and cons. In doing this we would virtually seek any extra input that may be provided from those ministries like the Solicitor General that had a particular interest in one section of this—for example, gun control—or as far as Correctional Services are concerned, insofar as the provisions in relation to say, parole. That's the process and the process is sometimes fast, sometimes it's slow depending upon the complexity of the submission that we receive, and sometimes it has to be fast if we receive it on very short notice and are asked to do what we can as quickly as possible. These were placed in your material, sir, just to give you an indication of the kind of analysis that goes on.

Mr. Breagh: Okay, so that kind of takes care of that.

Mr. Sinclair: You will note that in that particular one, sir, what we did there was not to particularly make any judgement on it, just raise what the intent of each particular provision was and what we say as being some of the weaknesses or some of the questions that would be raised about them.

Mr. Breagh: So, oddly enough then, the Justice secretariat does not put forward an official position that would represent Ontario opinion? Or do they do that and then forward that to the federal government officials?

Mr. Sinclair: No, sir, not unless we are asked. In this case, as Mr. MacBeth has pointed out, once this legislation is introduced in the House, I think traditionally the practice has been for us to cease at that point, but our input was to the officials and to the ministers prior to that. In the case of the other document, which is somewhat similar in nature, there is a difference in that this was a piece of draft legislation developed by the Solicitor General where the provinces were specifically asked to give that input. So there is rather a difference between those two.

[4:00]

Mr. Breaugh: I was looking at the two documents that you have got here and I thought why in one position would we prepare an official response and respond to that one, but on the other one we didn't. It occurred to me that there is a substantial difference in the province of Ontario when talking about young persons in conflict with the law. Everybody agrees we ought to look at that problem but on the other hand the peace and security stuff is dynamite and nobody in his right mind, who didn't have to, would take a formal position on that kind of legislation.

Mr. Sinclair: I can only repeat, sir, that the difference is in one case it was draft legislation on which we were asked to make our comment and in the other case a bill was introduced to the House.

Mr. Breaugh: A very judicious approach on your part.

Hon. Mr. MacBeth: I think that it is judicious. In the case of youth in conflict with the law, the questions of input from each of the provinces was put forward. I believe the Attorneys General at one of their meetings discussed the problem but it was up to the justice policy field to co-ordinate it and make the reply. With gun control we had been speaking to—I know I spoke to both Mr. Basford and Mr. Allmand in my office; they were good enough to come and see me—when the province was urging some gun control. They got our ideas and what we thought should be done—mainly the fact that we thought there should be some gun control—but they didn't tell us what they were putting in the legislation nor did they discuss the legislation prior to—at least, after the entry of the bill, we didn't see the bill. We haven't made any comment on it since the bill was introduced.

Mr. Breaugh: Okay, let me make some comments on what I am perceiving to be

your role. I perceive it to be one by which you kind of monitor the entire judicial system to see that nothing gets out of whack, to see that it all works reasonably well and to co-ordinate stuff.

Then I look at a police system in which I think there are some real problems, not the least of which, by the way in my area, is the fact that an arbitration court has just ruled on the two-man cruisers which throws the entire budgeting procedure out of whack for the next year and raises again the compounded problem of taking over the regional police force. I look at the court system and I have just sat through the Attorney General's estimates and he's preparing to process those people faster, appoint more judges, build more courtrooms and things like that.

I am wondering where we are going to put those people because I am listening to news reports about the riots in the jails and overcrowding. At Thunder Bay they have so many customers they have to let them out on weekends and tell them to take a walk because they can't handle the business. The whole judicial system seems to have some real bumps in it these days.

What are we going to do if the Attorney General is successful and gets all those guys prosecuted? Where will we put them? We seem to have an awful time trying to accommodate the business we have in our correctional services institutes. A lot of them are a little on the old side. We are having some difficulties with the training of people who work in those institutions.

I would have to say, as an overview without being all that specific about it, things are a little rocky in the judicial process in Ontario. I see some moves but because of the kind of ripple effect there, if the Attorney General is successful in getting all those prosecutions, where will we put these people? What are we going to do with them, because the jails are already crowded?

Hon. Mr. MacBeth: I think that lately the jails might not be quite so crowded. One of the assumptions you make is they will all be convicted. Maybe a lot of them will not be convicted but if they are convicted, depending on what the length of time they have, they may be out of our local jails and into some federal institution.

Mr. Breaugh: Get them into the big time.

Hon. Mr. MacBeth: Part of our problem at the present time, as anybody from Ottawa knows, is that people in the Carleton detention centre, many of them awaiting trial, probably will not be in a provincial institu-

tion. I am the first to admit, as I am sure the Attorney General (Mr. McMurtry) has admitted and I certainly admitted in the Solicitor General's estimates, that we do have problems. There is not an easy way out and at the present time our jails are overcrowded.

I have a demand for more police; and there are many other avenues that I am sure Consumer and Commercial Relations would get into if we had more money. Money is regrettably the answer to many of these problems but we have to do the best we can within our financial ability to pay for these things. But if the Attorney General is successful in speeding things through the courts it may not necessarily mean that the jails are overcrowded; it may well be that these people will be placed in jails or detention places where they have facilities to handle the problem, rather than in local institutions where they are awaiting trial.

Mr. Breaugh: Let me just run through that process though, with maybe a little hyperbole thrown in, not a lot. I see the Metro Toronto Police taking out full page ads in the Star about their sorry lot in life, and they are not happy with the process. I see boards of police commissions saying, well, if that arbitration award comes through and you get the two-man cruisers, away go the youth squads, they're out the window, have to cut back on safety programmes, all that stuff that we thought was finally turning the corner and was getting a little preventive work out of the police force, we see all that going down the tube.

I listened to the Attorney General tell us all the problems about Legal Aid, then I hear that the police officers aren't happy in certain parts of the country because they don't like Legal Aid; they think that those people are getting too much legal representation. On the street, where the police officer is working, in the courts, where the judges are complaining about their hefty workload and not being paid enough, the Legal Aid system seems to be having some difficulty funding itself, we're not too sure about that.

We hear of rather unusual delays in proceedings things through the courts, and then at the other end of the system we see the riots in the jails and the Minister of Correctional Services saying, "I don't care what you negotiated in the midst of that riot over the weekend, that's no good now. Now we've got you back in the cells, it's a different set of rules." There doesn't seem to be a part of our judicial system working smoothly. And I'm not really talking about what we could normally expect of complaints from the odd

person or somebody saying that this little part of the system isn't working here, when we plug this hole, things will flow through there.

But there seems to be a tremendous amount of fluctuation in the system itself, unhappiness across the system as opposed to isolating one part and saying, well, the police officers are asking for too much money or whatever. It isn't just that one thing, it's a number of things across there and essentially would point to having some kind of a coordinating force. And, you see, I'd be prepared to support that argument if we didn't have one. I'd say maybe we ought to set up a Provincial Secretary for Justice or Justice Secretariat, whatever it is, and smooth all that stuff out. But, unfortunately, the Justice Secretariat has been in place and doesn't seem to be having much of an effect on the system. Could you comment? Tell me the good things that you've done.

Hon. Mr. MacBeth: I'd like to think that by having a Justice Secretariat that there wouldn't be any problems in the justice system in the province. The system reflects the times we're living in. You've said there's discontent in the police force. I don't know whether you're suggesting that the police should be better paid or that there shouldn't be orders saying two-man cars. I don't know what suggestion you are making, and I don't think there's any more discontent in the police forces today than you'll find in business associations; than you'll find in our own arrangements here in the House—in the Legislature—there's always somebody complaining about the way that business is done and that an unfair burden is placed on one person or another. Discontent is something that's part of human nature and I think will always be with us. If you thought that by establishing a Justice policy field we would not have any more discontent in the justice of this province your ideals or hopes were not too realistic.

You ask what are some of the good things we have done. As you'll find in the book, some of the legislation that we've brought about is good legislation. It's difficult for me to speak about what we are presently dealing with, because that would indicate what some individual ministry of the four ministries in the field may be about to produce in legislation or what they may not. So we review all legislation and have good discussions. Go back into last year's programme and I can think of our Sunday and holiday legislation which I think is good legislation.

That was certainly discussed in great detail, pros and cons, in the policy field. I think the bill that eventually came forth was the better for the policy field review of it.

The citizen's police complaint procedure that, as Solicitor General, I am hoping to bring forth very quickly, has had a good airing in the justice policy field and I hope it will have further airing there yet. Again, time is one of the problems. The bill is now drafted and I'd like to have the input of the Attorney General on this bill in its final draft form. I'd like to have the input of the other ministries in that field because I feel it will be valuable. That is the kind of work we do.

There is the family law proposal that the Attorney General has recently produced; and the bills in connection with the trust companies which Mr. Handleman introduced. They have all been discussed in that field.

We've had some meetings and here again I turn to Mr. Sinclair to say what goes on in connection with some of the staff meetings. He's done extensive work with the native population and meetings with them and how we can help plead some of their problems and help them. On at least one occasion since I've been chairman of the justice field, the chiefs have been in discussing the problems with alcohol on reserves and we've had some good discussions. As well, we are looking at the problem of alcohol—not that any of us ever hope to solve that one—but certainly we're always revising and discussing what might or might not be done.

I turn to you, Mr. Sinclair, again, with the permission of the Chairman, to speak of some of the work you've been doing on a day-by-day basis with your own staff in developing some of these items which have not ended up in legislation but are strictly of a policy nature. I'm thinking of the Indians and the liquor and the problems with that.

Mr. Sinclair: Mr. Minister, before I do that may I add a comment to what you said earlier about the imbalance and the overcrowding? I think this is very important and it is a very real problem. I think that if we look at the present situation in the jails we could probably identify three reasons for the overcrowding we have.

One of these is what one could expect when you introduce a Legal Aid system. Here I'm not referring to any abuses of the system but the mere introduction of the system inevitably means that more people will seek the aid of a lawyer—because at least they have nothing to lose—than before you had a

Legal Aid system. Therefore, you can assume that there'll be many more people involved in pleading not guilty and having their case tried and sometimes taking time over it than was the case before. That is not to decry in any way, shape or form Legal Aid as a concept. It is a fact that it will produce more people; this has been the experience in every jurisdiction.

I think a second reason the jails are more crowded than before is the fact that over the last year at least—certainly, of course, since the amendment to The Bail Reform Act whereby the onus is now on certain accused to show cause why they should be on bail rather than the other way around—the number of people granted bail is not as great as before. I think those are two very real reasons.

The third—perhaps it's not a reason but a question—is should we at this time when jails are overcrowded, instead of building more and more jails to accommodate people, look to find or provide the courts with alternative methods of dealing with offenders, particularly petty offenders? This, again, is a matter which has been raised in discussions at the policy field and the Attorney General is presently preparing amendments to legislation which might ease that situation. That was just to add to what you had said earlier about the overcrowding.

[4:15]

I think the other thing which perhaps should be mentioned is that any police force within the province, be it Hamilton, Ontario, wherever, can add to its numbers if it thinks it can afford it. I think it's been estimated that every police officer hired generates about 500 arrests in a year. So that while that is going on and the police forces are being increased, and there isn't a comparable increase in the other segments in the system, then certainly we might expect that there would be problems.

In regard to the second matter, I'm not too sure what you want me to say here. I have circulated some information on the kinds of things staff are involved in, and although it's a very brief description of each of these, because I didn't want to bore you, if you want detail on any of them I will be happy to provide them.

Hon. Mr. MacBeth: I think Mr. Breaugh asked me of some of the good things that we were doing, but I thought you were perhaps better acquainted; I know many of the bad things that we aren't doing, I thought you might know some of the better things.

Mr. Sinclair: Now you've got me worried.

Hon. Mr. MacBeth: I'm thinking of the native people, provincial responsibility—

Mr. Breaugh: Any time you ask a minister to name the good things and he can't come up with anything, then we're in trouble.

Hon. Mr. MacBeth: Mr. Sinclair is more associated with the good things, I get the problems.

Mr. Sinclair: I'll be happy to tell you about some of the things we're doing, whether they are good or bad is a matter for your judgment.

Some of the things I personally feel are good are still really in the hopper, although some of them you'll be hearing about very shortly, particularly at the end of this month and in December and then January. Since we have been able to gather together a professional group of staff, I think a lot has happened in the last six or eight months.

Some of the things we're involved in: First, we believe a great deal of public information and public education is required about crime and about the whole justice system, and particularly required by young people.

We have, for some time now, been meeting with Ministry of Education officials on developing curriculum guidelines on courses for students in this area, starting as low as about grade six and seven. I learned of that just Friday of last week. It has now come to fruition and the ministry hopes to be able to circulate the material it has prepared, with our help, starting in January of next year.

Second, again in the areas of public education and information, within the secretariat we're preparing a series of booklets, which are aimed at two groups of people really, parents and again youth, older children. The first in this series will be out about the end of December and the second about the end of January.

The topics we have chosen for the first two may seem to be rather strange ones, because they're not ones that hit the headlines; they're not ones that, apparently, all are that significant in terms of crime statistics, and yet they happen to be offences which occur in great numbers and they're often not even reported. These are respectively shoplifting, and exhibitionism. These are two very common offences indeed which, for different reasons entirely, many times are never reported.

These are only the first two in this series of booklets, which have several purposes, depending upon the nature of the offence and

depending upon the cachement group that we primarily direct it toward.

In the case of shoplifting, what we're trying to do is to give people some awareness of the magnitude of the problem, of the fact that shoplifting may start as a simple little prank when you're in school, but if you're successful with it it tends to get to be more than a prank and tends to lead to other offences; and this is something that has been documented.

In developing these booklets, I should say that we have had tremendous co-operation from individual people we have picked up to help us, be they chiefs of police, people from the university; personnel people from places like Simpson's, who themselves are deeply involved and concerned with the problem of shoplifting and so on. In developing the various documents we have had help from outside people who have helped us with the development of them, who have given us their appraisal of the content in draft form. So first of all in the area of public education, which we consider to be of prime importance, we're trying to deal with something that cuts across all ministries, because we don't believe that crime prevention is solely a matter for police or the courts or prisons, it's everybody's problem. There are areas in these where courts, prisons, police are involved. In all of them we believe the citizen is involved and often fails to recognize his responsibility or he's not sure what his responsibility is.

That's one area where we have concentrated our efforts over the last several months. Incidentally, I should say that the first thing that we did in this field was that little booklet on the whole justice system within Ontario, which we produced 10 months ago now, and I think every member received a copy.

Other areas we're concentrating on: One is the whole area of deviance, social deviance. Because we've only got a limited staff and can't cover the whole field, the subject we've taken under our wing in terms of focusing our attention and limited resources on it, is that of alcohol; because it's such a widespread problem and because there are so many myths and suppositions about alcohol. In that area, we are represented on two or three committees concerned with alcohol, but our own particular input to it at this moment is a study which has been conducted by secretariat staff, with some graduate student help, on a matter that I think should be of concern to everyone and yet it never seems to have been adequately researched before, and that's the extent to which alcohol is involved in offences.

Now I'm not meaning simply the public drunkenness or the impaired driving, but the extent to which alcohol is a factor in a thing like armed robbery, or break and enter, or assault, or whatever. Now the results of that study, I think, are due in December. Preliminary indications are that the extent of alcohol use in all of these offences, and we took the whole spread, is much higher than any of us thought to be the case.

So I think that a study of that kind, again, only triggers off what action should be taken, given that this experience is a province-wide experience; or even a nation-wide experience and not just an experience in the town, in the city, in which the study was conducted.

We're also involved, as I mentioned, in various committees within the government that are dealing with one or another aspect of alcohol.

The third area that we've concentrated on, again because we think it's a very neglected area, is the whole area of justice and the native people. Over a year ago, about 18 months ago, as a result of a federally-initiated conference in Edmonton, a committee was established here in Ontario which is representative of all the native organizations. In fact it's the only committee I know of, I think, that involves the status and unknown-status Indians all sitting together around a table. That's half of the committee; the other half are officials from the component ministries and from the secretariat, and we sort of operate the scheme.

That we have found to be a very useful forum indeed. I'm not sure that the Indians have yet found it to be as useful, but I think they are finding it to be that way. We found things very slow initially in our workings with them. This is not their fault but rather ours, because I think we were perhaps expecting more than we should have done. We believe that as a result of these meetings there has been much more understanding on both sides; on their side of what we're trying to do, on our side of the problems that face the native people in regard to the courts, the police, to correctional institutions.

I have circulated, sir, with this material, a very brief summary of some of the things that have been happening; most of them since the Edmonton meeting, but some of them pre-date that, and we have tried to expand those wherever possible. It's interesting that at this point the native group—the native component of that committee — feel now so involved in the process that they would like to have money to pay for a sort of full-

time native secretary or co-chairman of that committee, and we believe that this money will be forthcoming from the Indian community secretariat. I think that the thing will go much faster when they do have full-time help of that kind.

I don't know how long you wish me to go on, Mr. Chairman.

Hon. Mr. MacBeth: Well that may be long enough for some of the areas.

Mr. Sinclair: I would remind you, though, that secretariat staff is a very small group. There are 13 of us and five of us are secretaries. So it's a very small group. Because it's a small group, we can't cover the whole field. We have to choose certain areas, concentrate on those, and try to do all that we can within the limitations of the money allowed, the staff allowed and so forth.

So, rightly or wrongly, these are the priorities we chose and this is where we concentrated our attention and, of course, it's not a full-time thing because a good portion of the time of all the staff has to be concentrated on the analysis of policy submissions and writing their comments on them and so forth. The staff also—as that list that I sent around will indicate—play parts on different government committees and inter-ministerial committees, outside committees and so forth. One other thing I would just like to mention in passing, because there is really little detail on it in the paper that was circulated to you, is; I mention in these monthly meetings with professional people. This has been going on for 16 or 17 months now. It's a very informal thing. Once every month on a Friday lunchtime, we send out an invitation to about 30 people across the city. They are deans of law schools, members of faculty of law schools, members of the centre of criminology, people who work at the Clarke Institute of Psychiatry, people who are with the John Howard Society, this kind of thing. It's a cross-section and if any members of the committee are interested, we'd be glad to send them an invitation. We meet once a month, very informally, to discuss a topic, which is chosen by the group at its previous meeting. One member of the group is asked to prepare a paper on the topic and we have had some remarkably fine input from those people which has been of great help to the secretariat in preparing our position on papers that are submitted.

For example, in those Friday meetings, we have dealt with things like diversion, capital punishment, gun control, child abuse and so

on. I can get a complete list for you but that gives you an indication of the breadth of topics that are involved and it's a very informal way of getting opinions and views from people who are professionally involved in this whole field.

Hon. Mr. MacBeth: Mr. Breaugh asked me some of the good things that the ministry was doing. I am not in this ministry on a day-to-day basis, and so much of the work, the preparatory work, is done by the staff members of the secretariat and that's why I turned to Mr. Sinclair, but if I could just ask him one more item which I think is important; it's this justice information system which is just in the embryo stages, but which I think in the long run, if we can get under way and get it financed, will be of some help.

Mr. Sinclair: I'm glad you said if we can get it financed. I hope to goodness we can, but it is an enormous amount of money. What we're referring to here—I think the matter has been raised in the discussions of one of the member ministries earlier in their estimates—is the question of an integrated information system within the whole justice field. At the moment statistics are collected by the police, they're collected by the courts, they're collected by corrections. Some of the systems are computerized, perhaps in different ways, but at the moment there is no integration of these systems. Although they're useful from an operational point of view, they're of little use from a planning point of view because you can't tie the separate pieces together. There's no way that you can trace the fall of a person through the system. There's no way that you know exactly where a person is; whether he's on remand, whether he's been sentenced, whether he's in jail, whether he's in transit, whatever. You can make a phone call and look it up in the records, but there's no rapid way.

While we're on deficiencies—and this applies to any justice system with perhaps three exceptions—so much information is collected so many times on this same person. As I'm sure Ms. Sandeman is only too well aware, a person can come into a correctional institution and the first thing that happens is he's seated and a full case history is written on him.

[4:30]

It may be the 19th time that information has been collected and I think in this day and age it's deplorable that justice systems everywhere—it's not simply Ontario—have not

developed the technique which is available to very quickly plug into the system at any one point in relation to any one person, any one offence, or the flow of people through the system.

There are pieces of this being done and you heard from the Attorney General, I'm sure, about their system in the Central West project or the Cyclops system in North York, and Correctional Services would tell you that they have partly computerized. But what is really needed is an overall integration of all this information, and we have been exploring this over the last three or four weeks. Well, we have been exploring it for over a year now, but only in the last three or four weeks have we come to the point where we can sit down with people who have the technical knowledge and try to determine what the feasibility of this kind of proposal is.

We think it's high now, but we also acknowledge that it will be costly and it may be that the government may not be in a position to define the amount of dollars that will be required, spread over 10 years, because that's what I think it will take. It may not seem as much, but it's still an awful lot of money. But it's something that we have been exploring; we are convinced is feasible; we are convinced it will lead to a more effective system and we believe that most of the people—all in fact, that I have met, working in systems in the individual ministries—believe that a total integrated system is better than the segments we now have.

Mr. Breaugh: Just a couple of more points and then I'll yield the floor for a while. I'm really concerned that a number of our laws are not known among the population, and in particular, I'm really concerned about things like recent changes in the drinking and driving laws, which really are substantial. I happened to sit on the select committee dealing with highway safety matters. We have looked at legislation from around the world. There are very few places where it's much tougher than Ontario. The new laws are very hard-nosed. I'm rather concerned that we have got ourselves a set of laws here that the population doesn't know about.

One of the things that we are considering in our early recommendations is a little booklet to go out to the people as they pick up their '77 licence plates to tell them how tough the laws are. There are going to be a lot of people who get a rather rude shock when they find out what devices are used, and when they use those breathalysers there

is virtually no defence for it, and pow, you are going to get some substantial penalty slapped on you. That's quite fair if everyone knows what the rules of the game are before you start out, but they have been changed substantially and not much of an attempt has been made to put that information out to the public.

I was interested in your comments on information programmes for students and things like that, and that's probably a move in the right direction but the general population has a right to know that as well, and I think that is a failing of our judicial system. People don't know what the laws are and whether they break them or not maybe doesn't have much relationship to their knowledge of whether there is legislation in that area. But it would seem unfair to me that if you unknowingly break a law, and of course the lawyers jump on that all the time, that's a slightly different kettle of fish.

Let me move to something else which I don't think is done very well in Ontario, and that is the laws being applied equally throughout the province. Again on this Highway Safety Committee, we had occasion to meet with police officers and a few lawyers across the province and there is quite a discrepancy as to how even simple things like the laws about speeding are applied from one municipality to the next. In one municipality the police officers will say: "Well, we've got an informal directive that says you have got to be doing more than nine miles an hour before we have a right to check it." You go somewhere else and the police officer will say, "Well we go before a judge and if you write something for less than seven miles an hour, he'll just throw it out anyways, so no sense doing that." A number of small things like that.

You find places in Ontario where police officers are looking for somebody who will really apply the drinking and driving laws hard, first crack out, and as soon as they find somebody like that they just flood the court system there locally with charges. Yet, in other places in Ontario, it's not interpreted in that way. Do we monitor very much? Simple things—if you are going to hit somebody with a hockey stick, the place not to do it these days is Maple Leaf Gardens, but I wonder if Harman Park arena gets the same treatment. If you go down there at 3 a.m. in the morning and the industrial league comes out, and the guys roll out of the Karlin Hotel and whip over to play their annual hockey game there, you could do the same act and nobody would know.

Part of the problem here is of course you've got now in Ontario a rambunctious Attorney General who is very active, identifies things and knows how to go after them and so in certain areas it's taboo now I suppose to do certain things, but in other areas of the province that subject isn't even discussed, so the law applies in one place but not in another.

In certain courts in Ontario, certain traffic laws are applied rather strictly, but not in others. In certain places in Ontario police officers have one attitude about a driving offence, in others they have a different attitude. I'm not terribly sure that we are achieving that goal, if it is a goal. Of course, in some other jurisdictions what they do is decide that there is a local rule option there and they will set up shop and there will be a lot of local autonomy in terms of how laws are written or how they are applied, but we are generally operating on the assumption that no matter where you are in Ontario, the law is essentially the same and will be applied in the same manner. I think we have some difficulties there. I wonder if the minister would respond to that.

Hon. Mr. MacBeth: Well I agree there are variations, depending who the judge may be and what the climate in a particular community is. And I suppose that is not entirely—I want to emphasize entirely—different areas may have different problems. If suddenly joy-riding becomes a problem in a certain area, I suppose the judge is going to decide that he will be successively stiffer in his penalties than he was earlier. I'm not saying that's entirely wrong but generally speaking I think there should be uniformity of penalties. But as long as we have judges—and judgements are a matter of just that, of judgement—there certainly will be differences. I think the Attorney General tries to keep some degree of uniformity by way of appealing sentences. In other words, if he feels a sentence is too lenient compared to the usual practice across the province, that, of course, would be subject to an appeal and I am sure he does that. The Justice policy field has not been doing any monitoring of judgements and Mr. Sinclair, I don't know whether you feel it's something we should or should not be looking at, but if anybody has been doing it it has been the Attorney General by way of appealing sentences. But certainly we are never going to get absolute uniformity nor do I think absolute uniformity would necessarily be desirable.

Mr. Sinclair: I personally don't see this as being a secretariat function. I see it as being a function of the Attorney General and I do know that within that ministry the provincial judges, criminal division, meet at least four times a year for seminars where they discuss sentencing practices, both from a point of view of the bench and from a point of view of the recipients, prisons in most cases. And I know, because I've had the good fortune to attend, there have been some very excellent discussions on local views, on apparent disparities and so forth, but I guess beyond that you can't go too far without falling into a situation where there is almost an automatic penalty for an automatic infringement.

Ms. Sandeman: Can I ask, what the plans of this committee are for sitting hours after this afternoon?

Mr. Chairman: A terrible question to ask. The House is not sitting at the moment. I was thinking we would go on until five o'clock and then I would address myself to the committee as to what your feelings were. We have to get on with these estimates.

Ms. Sandeman: The reason I ask is that I have quite a few things I would like to say and many questions I would like to ask. If I had been smart, I would have pre-empted Mr. Breaugh and got in first. But I have to leave—public transportation doesn't wait for me—in about 10 minutes and I prefer not to start just for 10 minutes if I can be assured that we are going to be meeting again on Monday. However, if you are going to cut us off in our prime and this is it, I'll get my ten minutes worth.

Mr. Chairman: Ms. Sandeman, my feeling is—and I've really no right to say it—that we will go on for a little while longer, but not much longer, and try to get some of the initial stuff out of the way. We will have to meet again Monday and if we can't complete them on Monday these estimates will have to be put over to the end of all the rest of the stuff that's coming up. So we will meet Monday I have no doubt.

Ms. Sandeman: In that case, rather than take 10 minutes and maybe having somebody answering a question and have to be rude enough to walk out, I'll yield to the next person on the list. And you would put me first on the list for Monday?

Mr. Chairman: Yes.

Mr. Stong: There's no way that I'm going to be finished in 10 minutes. However, I will go until you decide—I'll pick it up from there.

Mr. Chairman: I'd like the feeling of the committee about it. I'm suggesting that we go until 5 o'clock.

Mr. Stong: I won't be finished by 5 o'clock.

Mr. Chairman: How long do you think it would take?

Mr. Stong: I would expect I would probably be an hour.

Mr. Chairman: Why not get started and maybe go until 5:10 p.m.? If somebody raises any objection, I'm going to have to adjourn.

Hon. Mr. MacBeth: You mean the House is not meeting now?

Mr. Chairman: That's right.

Hon. Mr. MacBeth: Why's that? I'm not objecting, but I'm just wondering why the House packed up so early.

Mr. Stong: Perhaps if Mr. Moffatt is going to be shorter than I, he should proceed and then I can carry on Monday.

Mr. Moffatt: Mr. Chairman, I want to ask for some clarification about the whole business of the regional police forces. I understand Mr. Breaugh was on that topic when I came in.

I've taken the time to go back to the original documents from the government that were issued before the formation of the Durham region—this is the copy of the speech by the Hon. Charles McNaughton at Eastdale Collegiate, which set out the whole thing in 1972. This is a copy of the preliminary document. In both of these areas the continuance of a police force in the rural area, of an OPP nature, in one was hinted, and in the other was expressed.

I wonder what is the purpose of this? It has been suggested by some of the local politicians in the region of Durham that there is a move afoot to limit the whole business of the Ontario Provincial Police. There is the suggestion it has grown a bit too large and a number of countervailing large regional police forces would be more appropriate to the Ontario scene. Is that a fair comment to make or is that not reflecting the view of this secretariat?

Hon. Mr. MacBeth: Mr. Chairman I'm unable to go back to the reasoning that might have existed at the time Mr. McNaughton introduced the region of Durham bill.

Mr. Moffatt: He would have been just as well to have avoided it.

Hon. Mr. MacBeth: But the thought is that we have established regional police forces; that they are to act as municipal forces; that they are preferable to establishing one Ontario Provincial Force across the entire province; that regional police forces can reflect the aims and desires of the community perhaps better than a provincial force can do.

I know even in regions you get objections to regional police on the basis that they're not enforcing local municipal bylaws. But certainly I think they are more prepared to do it, than a provincial police force is.

The Provincial Police intend to continue policing the highways and areas where they don't have municipal forces or regional forces. But when you refer to Durham and the provincial highways that go through there, that would be our—I won't say sole responsibility, but probably our main continuing responsibility—to police forces. I think it's best that they look after matters of crime detection and that traffic on the regular municipal streets—things of that nature—should be looked after by a regional police force.

Is that any better than having one OPP force across the province? I think it is.

Mr. Moffatt: Then it is a conscious move to establish a number of large regional forces as a kind of counterbalance to the overall Ontario Provincial Police in the province?

[4:45]

Hon. Mr. MacBeth: You are using the word "counterbalance"—

Mr. Moffatt: It's not particularly my word; it's just that that view has been expressed by people in my area who, I might add, are of some consequence on regional council and so on. I'm not sure of the veracity of the statement. I think it's a very important concept; if indeed we are concerned that the OPP is too large and we want to set up a number of regional forces to sort of offset that, then there obviously has to be a change in direction in the government or in the province, and it would seem to me that properly should be a topic for the Justice Secretariat to deal with.

Hon. Mr. MacBeth: I have never heard that view expressed before. The idea of regional police forces, as I tried to say earlier, is to place the cost of policing where it has traditionally been—on the municipality, with help from the province—and to reflect the

aims and aspirations of the local municipality. It is not any fear that the Provincial Police force is getting too large or that we want a number of forces to offset it; that is not part of it at all. But I do think that in a region—let's use Toronto, where we are, as an example—that you are going to get better policing by having a municipal force than you would by having one provincial force. I wouldn't be in favour of one provincial force across the province.

Mr. Moffatt: Okay, that's fairly straight. If I may pursue it one step further, with the transition to regional police in the number of regions outlined by the Treasurer in his announcement some months ago, will there be a reduction in the complement of the Ontario Provincial Police and a reduction in the budget allotted to the Ontario Provincial Police, which will be transferred to those regions directly on a man-for-man basis?

Hon. Mr. MacBeth: No. I have—when I say "I", I am now speaking as the Solicitor General—

Mr. Moffatt: Yes, I'm sorry to put you in this position.

Hon. Mr. MacBeth: As far as police forces are concerned, we are under constraint too. I have a great many requests for additional police personnel in the various detachments across the province. As you all know, we've got requests, say, from the northern communities, particularly in some of the reserves. Pretty well every chief of a reserve across the province wants an OPP constable stationed right on the reserve and that type of thing.

I have constraints both on personnel and on finances, which apply to the OPP as well, and my hope is that, by releasing police from these other regions, where we're putting pressure on them to assume their responsibilities, that will give the OPP flexibility in sending additional personnel to other detachments where there are not regional police involved. It does not mean more police as far as the province is concerned, but deployment in other areas.

Mr. Moffatt: Okay. That obviously will cause you some difficulties in relocation—

Hon. Mr. MacBeth: Oh yes, no question.

Mr. Moffatt: —which I think is going to be a very extensive and very expensive item in your funding.

I want to ask a question that has sort of a general nature; I'm not sure it is appropriate,

so the Chairman may have to rule. In going through the estimates information which you kindly provided, I note that you have sort of blocked off areas that are of concern in a justice fashion—where laws, enforcement and various other aspects of justice are going to be areas of concentration.

I'm pleased to see that you've dealt with a lot of the youth problems and so on, but there's one area that perhaps it is appropriate for this secretariat to deal with, because nobody else seems to bother; that's the whole business of justice as it applies to people, particularly in consumer work, and the storefront legislation—rent review legislation, consumer law and the various things where people are affected directly by a police officer or some functionary appearing on their doorstep with a direction based on some statute.

I'd like to tell a little anecdote that occurred to some people in Bowmanville, where a regional police constable suddenly appeared at a number of apartment doors and said that he had been instructed to deliver a directive from the landowner who was being sued by the mortgage holder. The people had been directed by the mortgage holder to pay their rents to the holder of the mortgage. He was there to direct the tenants to pay their rents to the landlords because their lease provided that. There is a legal phrase that is used; I can't recall what it is.

Mr. Chairman: Attornment.

Mr. Moffatt: Thank you very much; with two lawyers, that's easy. The point is not that that was right or wrong but that those people really had no idea of what the law was about or where they could get any assistance or whom they could call. They called me. That was a big mistake. When I went to a couple of lawyers, one of whom is in my caucus and one who lives in my riding, I got two different answers.

Mr. Grossman: Who was right?

Mr. Moffatt: I took the advice of the one in my caucus and he turned out to be right. What bothers me is that here is a whole area where obviously laws affect people on a day-to-day basis about which they have no idea. Everybody seems to know about the gun control legislation. Everybody knows about the speed limits and all of that sort of thing. But the average person has no idea at all what he can do simply to recover some goods which are due him or some money which is due him. It seems to me that if anywhere this can be accomplished it may well be in this

secretariat. I think that the Ministry of Consumer and Commercial Relations is not in a mood or position of nature really to take action in this whole area. There are a number of people working at Osgoode Hall and at the University of Toronto who are very concerned about this and they really have no effect on changing this sort of mood of the government. It would seem to me that your secretariat may well be able to achieve something. You've done great work in a number of other areas. I am suggesting that this is one that perhaps needs to be really pushed to bring those ministries together because they affect a number of ministries and put some effect into this part of the legislation.

Hon. Mr. MacBeth: It is certainly a very current problem. We have discussed it in the policy field to see how far we should go in connection with trying, I suppose, what you might call socialized legal service. The old answer would be why didn't you people go to see a lawyer? If they were sick they would go to see a doctor. If they have a legal problem they should go and see a lawyer. That's too pat an answer, I realize for today. In this age when we are getting consumer legislation, as we are, when people have a consumer problem they don't want to go and see their lawyer. They bring their problem to government and they expect the government to see that justice is done.

That is happening more and more in the legal field as well. There are a number of storefront operations which the Legal Aid people are experimenting with. I am sure the Attorney General has talked about the Parkdale storefront operation. We get into a little difficulty with the question itself. I don't know how it would be done. Perhaps the least expensive way for the government to do it is to set up a number of those storefront operations in central points across the province and, instead of doing it through Legal Aid, let these people be on the staff—at least, lawyers if they needed lawyers—for the government. They could come in there and get the best ability of that lawyer.

We haven't adopted that system with medicine and I think the legal profession would be rather loath to adopt that system with the legal profession. In other words, you would go to the particular office where that lawyer was situated and get his opinion on the matter. I think more and more of that is happening. How far it will be developed, I'm not sure. Again, it depends on government policy and the amount of funds available. I think you are seeing the initial experiment

with that with some of these storefront offices that Legal Aid is at least helping to sponsor.

Mr. Moffatt: I find as a member of the House that a number of laws are so convoluted and of course written by lawyers that the average person cannot understand them.

Hon. Mr. McBeth: What do you mean written by lawyers? They are written by the members of the Legislature.

Mr. Moffatt: They are written by lawyers, as you well know. You can't get anything through the House unless it is put into legalese first. That may be good for the legal profession and so on, but it seems to me that if we have to turn the laws into legalese in order to make them readable for the legal profession, then we also have another duty; that is, as soon as they have been passed in the Legislature, then we have to translate them back into laymen's terms, which might not stand up in a court as an interpretation of the law but which will certainly give guidance to people as to what they can expect the law to do for them.

The word "attornment" is a simple example. I had never heard that before, and I have been around this business a little bit; and these people would never have heard it if it hadn't suddenly happened to them.

I think this whole business also works against people in small businesses who, without the whole business of a lawyer on staff or on regular retainer and so on, go into business and wind up on the wrong end of the law through some technicality or wind up being made a victim by some organization which has legal status and does have legal advice and can twist the thing around to suit themselves. They enter into contracts and wind up being the people who are last to register their claims in bankruptcies because they aren't ready with a lawyer at hand to read all of the gazetting of Acts which go through and so on.

I don't know what you can do about it, other than keep turning out stuff to tell people what their rights are and so on. But it seems to me that we have to make a conscious effort to do that first, always, rather than always worrying about the legal technicalities of the bill which, of course, must be interpreted by the courts and everything. We must always make sure that at the same time, or even leading up to it, goes the public explanation of any Act or regulation, which will make it readable and clear and understandable.

Rather than putting ads in every local paper about what great things we are doing to help rebuild arenas, when every person who is involved with that arena knows full well the moneys and grants are available from Culture and Recreation, we might well be spending that amount of advertising money in telling people what the devil the law is and what it does to them. We should have that kind of emphasis, it seems to me. If we have an advertising contract to fill with some advertising company, then I would much rather see it used in that fashion than in a pseudo-political fashion.

Hon. Mr. MacBeth: I agree, Mr. Chairman. The day when the citizen is presumed to know the law, I think, has long since gone. When it comes to interpreting the law, even many of us in the House who have a part in making it are not very sure of the grounds on which we might give advice. Many ministries are doing this; I think Consumer and Commercial Relations has done it in trying to explain rent control, although we had a little difference of opinion today in the House even as to what rent control was all about.

Mr. Breaugh: Or whether it is going to be extended.

Hon. Mr. MacBeth: Well, that is another matter—

Mr. Moffatt: Oh, you know the answer to that, John.

Hon. Mr. MacBeth: I think they were trying to interpret the existing law, and Mr. McMurtry has recently tried to do that with his family law package. We also are trying to do it, as Mr. Sinclair said, in a couple of fields. One, which was rather surprising to me, is exhibitionism, the other being shoplifting, which didn't surprise me because that is where a lot of young people go wrong. I didn't realize exhibitionism was such a common offence until Mr. Sinclair, who seems to know all about it, was explaining it to me. We are trying to do that, but your point is well taken and I think we will see what further we can do with your suggestion.

Mr. Breaugh: Flasher on staff.

[5:00]

Mr. Moffatt: Further to Mr. Sinclair's comment about the exhibitionism problem, I raised that with the Attorney General the other night in his estimates, because what is occurring in the rural parts of the province

is that when that sort of episode takes place all of the young people who are involved are being summoned into court and spend days in the court procedures.

I had a problem with this in our local area when I was a teacher. What happened was that people decided they weren't going to tell, because it was too damned embarrassing to their kids. That whole system really needs to be looked at.

It should not be a general procedure that when a young person is involved in that kind of thing as a victim, the first person we are going to call as a witness will always be that person. There should be a specific direction that only in times when that kind of testi-

mony is absolutely required should those people be brought to court. Even then it should be in fairly controlled proceedings, I am quite sure, where they won't be required to sit through the whole case and be subject to all kinds of interrogation which isn't germane to the situation.

Mr. Chairman: It would be wise for us to rise and reconvene after question period Monday.

Hon. Mr. MacBeth: Thank you, Mr. Chairman; thank you, members of the committee.

The committee adjourned at 5:02 p.m.

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SUPPLY COMMITTEE-1

ESTIMATES, MINISTRY OF
ENERGY

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Monday, November 15, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

MONDAY, NOVEMBER 15, 1976

The committee met at 3:18 p.m.

ESTIMATES, MINISTRY OF ENERGY

Mr. Vice-Chairman: We'll start off with a statement from the minister then the NDP critic, Mr. Burr, followed by the Liberal critic, Mr. Reed, and then we'll have a reply by the minister. Then we'll speak in rotation as handed in to the chairman.

Ms. Gigantes: May I take a moment, Mr. Chairman, to ask if it's possible for us to sit this evening or Wednesday evening or both? It seems to me there's an awful lot of material to be covered.

Mr. Vice-Chairman: On Wednesday?

Ms. Gigantes: Either tonight or Wednesday or both evenings. I wonder what the feelings would be of the other members of the committee as to that.

Mr. Vice-Chairman: The committee of the estimates has been meeting five days a week since we've started back into the fall session. I don't think that the majority of them would want to sit at that time. But it's entirely up to the committee.

Mr. Cunningham: Mr. Chairman, I think it's a little bit difficult for us to change our schedules because we're all operating under a pretty tight schedule.

Mr. Vice-Chairman: It's decided for us to sit until 6 o'clock tonight; and tomorrow from 3 to 6 and then from 8 to 10:30. On Wednesday it's a kind of a toss up but it was suggested from 2 to 5.

Mr. Reed: As I indicated to Ms. Gigantes, I was easy if she would like to sit later. Then I was reminded by Mr. Cunningham that I do have an engagement for Wednesday night, but as far as tonight is concerned it is entirely up to feeling of the the committee.

Hon. Mr. Timbrell: I've been led to believe that we would sit today from 3 to

6, tomorrow afternoon and Wednesday afternoon and evening. On the strength of that, I have commitments tonight, Monday night, the usual night the House doesn't sit.

Ms. Gigantes: Would it be possible to meet on Wednesday morning at least? I assumed we'd meet on Wednesday morning.

Mr. Vice-Chairman: These are commitments that have been made by the party whips and the House leaders for some time and I think we have to abide by them. Every time we come into a committee we start changing the ground rules.

Ms. Gigantes: Mr. Chairman, I'm sorry, I understood from our House leader, and I assumed that all House leaders had come to this agreement, that we could in each committee discuss the hours of sitting of that committee within the scheduled days of sitting.

Mr. Vice-Chairman: Does the committee want to sit tonight?

Some hon. members: No.

Mr. Vice-Chairman: Okay, that finishes tonight. Let's leave Wednesday until we hit Wednesday.

Ms. Gigantes: Okay.

Mr. Vice-Chairman: We'll adjourn at 6 tonight. Mr. Minister.

Hon. Mr. Timbrell: Mr. Chairman, each of the members has been given the package of information which relates to our four votes in which we try to highlight those votes. Obviously, we can't prejudge everything that you will be interested in but we'll try to give you some information. I'd like to make the following statement:

This past year has been an active one for the Ministry of Energy. We have been involved in and have initiated a variety of activities including increased emphasis on energy conservation, national crude oil and natural gas price negotiations, the activities of the select committee reviewing Ontario

Hydro's 1976 power rates, the royal commission on electric power planning, the royal commission on petroleum products pricing, interventions before the National Energy Board, numerous hearings involving the Ontario Energy Board, and the activities of the steering committee restructuring municipal electric utilities. These are but a few of the events which have occupied the ministry's attention over the past 12 months.

As I am sure you will wish to discuss specific issues with me during the review of the ministry's estimates, my objective today is to outline briefly some of the changes which have occurred in the past few years, particularly in the ministry itself. Well before the Arab oil embargo in 1973, the government recognized that significant changes with respect to energy were ahead. For example, in 1971 two events occurred of major import for the development of energy policy in Ontario. First there was the formation of Task Force Hydro under the Committee on Government Productivity; and second, there was the formation of the Advisory Committee on Energy.

In January, 1973, the Premier (Mr. Davis) appointed Darcy McKeough, his parliamentary assistant, to investigate and make recommendations on energy policy and procedures and to integrate the recommendations of the advisory committee on energy with those of Task Force Hydro. Mr. McKeough's report was submitted to the Premier on June 1, 1973. A status report on those recommendations is available to the members.

The Ministry of Energy was formally established in June of 1973 and remains to this date the only provincial Ministry of Energy in the country. Its mission was to design and implement a provincial energy policy which would ensure an adequate and secure supply of energy for the province at reasonable prices with an acceptable environmental impact. Also, the ministry was responsible for making recommendations regarding priorities for the development of research in all aspects of energy of significance to Ontario, including the conservation of energy and the improvement of the efficiency in its production and utilization, and the development of new energy sources, especially renewable sources.

This mission reflects Ontario's fundamental consumer orientation. It recognizes our dependence on sources outside our borders for 80 per cent of our energy requirements, and at the same time recognizes our legitimate interest in participating in and in influencing energy decisions made at the national level.

We are consumers. Indeed, we are the largest energy consuming province in Canada. As such, we pay the largest share of the country's energy bill. Consequently, we have a right to ask what portion of our energy dollars is being channeled into guaranteeing adequate future supplies. In short, although we are resource poor in terms of some energy sources, we have a right to an equal say in decisions of national consequence. Our policy with respect to other provinces and the federal government is based on this principle.

In reflecting upon the developing energy scene, it becomes obvious that our policy must maintain optimum flexibility and responsiveness. This is equally true for the ministry as an organization and it is these qualities which I have nurtured during my appointment as minister.

The energy scene is in the process of rapid evolution. We, too, in the ministry are evolving. Since its inception, the ministry has had three main programmes: Policy development; the Ontario Energy Board; and the Ontario Energy Corporation.

For the most of fiscal year 1975/76, the ministry operated under this above programme structure. However, it became increasingly apparent that the ministry's emphasis would be more accurately reflected under a new programme structure.

The new energy programme includes: Energy conservation; energy policy; regulatory affairs; and operations.

This new programme structure will be reflected in the estimates book for 1977/78, although for all intents and purposes we are operating under this structure now.

As you are aware, since the Arab boycott the pace of change in the energy business has not slackened. On the contrary, it has accelerated greatly and continues to do so. It is little wonder the public finds it difficult to have a clear understanding of the energy issues we face today. The rules of the game changed completely in 1973 and since then the air has been thick with new developments, proposals and plans. However, two main schools of thought have emerged from the energy debate in our country. One position favours an expeditious development of necessary resources to fuel our economic growth. The other calls for a conscious restraint from a perceived over-emphasis on traditional development and, at the same time, recommends a push for rapid progress to be made in non-conventional energy technology.

As we are faced with a growing dichotomy of viewpoints with regard to energy production and use, we must therefore strive within the ministry to maintain a balanced perspective and ensure that our efforts correspondingly meet the legitimate expectations of the public. There is merit in both points of view—I could almost say both philosophies. Clearly though, energy conservation is an indispensable component of Ontario's energy policy. Additional emphasis is being given to this area, as I outlined in my statement in the Legislature a few days ago.

The energy conservation team established within the ministry is charged with the following goals: 1. To help alleviate potential supply problems; 2. To reduce the environmental impact resulting from the use of energy; 3. To reduce the need for capital investment in energy producing facilities; 4. To reduce the impact of higher energy prices; 5. To save money for those practising energy conservation; 6. To extend the life of non-renewable resources, particularly crude oil and natural gas.

We are conscious of the leadership role which Ontario has in Canada in energy conservation. Through our development and demonstration projects we will continue to encourage the adoption of energy-saving technology and the practice of wise energy management in all sectors of the province's economy.

Let me emphasize that a balanced perspective of energy issues is essential. The ministry's programme structure reflects this perspective as does our new organization structure. While the conservation group will tackle the challenges presented by demand management, the policy development group will focus on energy supply issues.

The ministry of course does not represent the sum and total of the energy-related activities of the government of Ontario. These activities are spread across many ministries. For example, Industry and Tourism has an obvious interest in energy matters in view of its responsibility for industrial development. The Ministry of Transportation and Communications has a similar interest on behalf of the transportation sector, and the list goes on.

In this context of multi-ministry concern and activity, the Ministry of Energy acts as a catalyst and co-ordinating body ensuring that the ministries and agencies of the government work together in the interest of Ontario consumers. We are in the midst of a critical period in terms of the development of energy policy in Ontario, and indeed, Canada. The

decisions we are making and those which we will make in the near future in a very real sense will determine the kind of province and the kind of country we are going to live in.

I say this not simply because adequate and secure supplies of energy are the cornerstones of our industries and are inexorably linked to our standard of living, but also because the energy decisions lying before us will tend to shape our entire economic system, and in fact the future shape and nature of Confederation itself. The magnitude of the task and the consequences of the decisions taken require the widest possible understanding and appreciation by the public of the issues involved. Consequently, the Ministry of Energy is in the process of a thorough evaluation of its position with respect to various energy resources, energy systems, energy research and development, energy pricing, and in fact the entire gamut of energy issues we face. We are revising our priorities as the priorities of the energy sector, the economy and the community as a whole are changing.

My staff and I, Mr. Chairman, are at your disposal. If you wish we will be happy to present a review of the national energy supply-demand situation at some point this afternoon or over the next few days. In addition, we have a number of publications and documents available which provide additional background information on the ministry's activities in the past year.

Mr. Burr: Mr. Chairman, I wish to make some opening remarks on energy alternatives which has been my caucus responsibility since the election in 1975. We have divided up the Ministry of Energy critic's job. Ms. Gigantes, Mr. MacDonald, and Mr. Lewis are taking part at various times. I'm concentrating on the alternative energy resources.

I don't intend to speak about one of them, nuclear power, in my opening remarks, having already pointed out the long-term hazards of that method of obtaining energy. Many others are now pursuing that subject, and with the Porter commission and the proposed select committee, I don't think it needs any great discussion at this time.

[3:30]

There is now a widespread conviction that our generation has an obligation to preserve for our descendants some share of the limited non-renewable resources of this planet, especially gas and oil, both of which are being consumed at an extravagant rate by our affluent western society. Almost every

European and North American is at least vaguely aware that our society is exploiting and consuming the earth's resources in a most greedy manner taking many times our fair share. But very few of us stop to think that it is not just our contemporary have-not brothers and sisters whom we are depriving of their fair share but it's also our own children and their descendants who will be the victims of our profligate extravagance. Just because they are not yet born does not alter the fact that we are stealing their share. They will eventually endure many shortages because of our collective greed and self-indulgence.

Today I wish to direct your attention, very briefly, to two forms of energy, gas and oil, which we are using up at an unpardonable rate. These two especially must be conserved as long as possible. Apparently, the coal resources are enough to last at least North America for several hundred years but oil and gas, according to various authorities, have only a few years left to be used by us and our contemporaries and perhaps our children. There is an increasing awareness that eventually man must rely on various forms of solar energy if he is to continue to live at or near our 20th century level of comfort. There are those who say we already have sufficient technology to exploit solar energy now. Personally, I am convinced there must be an all-out research and development blitz so that, through mass production and a more sophisticated technology, we can take massive advantage of solar energy in a relatively short time.

Private enterprise is making its contribution but most of those interested in this field have not the financial resources to make the series of breakthroughs that I feel are necessary. Only someone who has an overview of the problem, such as the minister has or should have, is in a position to commit adequate financial resources now to bring about a successful effort in a short time. There are vested interests who have the power to allot the necessary money but have not the desire. In the United States, for example, the President's advisory board on energy is loaded with representatives of the fossil fuel and nuclear interests. It is to their narrow, selfish advantage to put money for research almost anywhere except into solar energy systems.

Even Ontario Hydro, I fear, is still bound by the attitude exemplified by the old slogans. Do you remember them? There was "Better light, better sight," which implied more light will give you better sight. I need only mention the famous slogan, "Live better

electrically," which really meant use more electricity no matter how wasteful it may be. I was a utilities commissioner once so I reminisce rather sadly. For example, consider the heat pump. This is an example of Hydro's rather conservative attitude, I suppose I should call it. The heat pump can extract from the earth or the air or the water approximately \$2 worth of heat for every \$1 worth of electricity required to run the pump. Hydro has been doing research on this for almost 30 years and, presumably, has made some improvements in all that time, but what does the public hear about this?

Thirty years ago experimental houses in Ontario were getting 80 per cent of their required winter heat from heat pumps and, of course, an adequate amount of summer cooling as well. But what good has it done us? How many citizens of Ontario have benefited by this experiment? In fact, how many have even heard of it?

So question one, Mr. Chairman—I have about six questions that I'd like the minister to answer when he has an opportunity—what is happening in the heat pump development programme?

I suggest that Hydro's desire to sell more electricity has prevented, in the past, the publicizing and certainly the popularizing of heat pumps. In the state fairgrounds at Columbus, Ohio, there is an experimental solar house. Although the 2,700-square-foot house was not open to visitors when my wife and I visited it a year ago in the summer, I was able to learn that the 37 collector panels and the 4,000-gallon storage tanks provide about 90 per cent of the space heating and cooling required, in addition to the hot water needed for a normal household.

At 1974 rates, that solar energy system with installation was expected to pay for itself in about six to eight years. In view of recent increases in fuel prices, this estimate could easily be reduced by a year or two. The builder, Homewood Corporation, which has offices in cities such as Columbus, Detroit, and Indianapolis, is so enthusiastic about the experiment, and further improvements which have become evident from its operation, that it plans to build and market solar homes in the \$30,000 to \$50,000 price range, of which \$4,000 to \$6,000 would be for the solar energy system.

So question two: has the ministry made any comparison between the Columbus, Ohio, house and the house at King City known as Provident House?

According to the Pittsburgh Glass people, a solar energy system of ready-made com-

ponents adds between \$4,000 and \$6,000 to the cost of a new home. This estimate was recently confirmed by a study undertaken for the federal Ministry of Energy by Middleton Associates. This study said it would cost \$6,005 to install a solar heating system that could provide 70 per cent of the owner's total energy use.

In almost all locations throughout the most populous regions of Canada, solar energy could provide the major part of the space and water heating needs of the residential sector, together with a large amount of cooling during the summer. If large numbers of citizens of Ontario could be persuaded to install solar energy systems, this step, together with conservation measures, could save Ontario Hydro hundreds of millions of dollars—in fact, billions of dollars—by reducing the number of generating stations that would have to be built in the next few decades. Yet we have an Ontario Hydro study that says that for a solar energy system installation, "it would cost \$13,640 to supply only 60 per cent of the energy required." That's a quotation from the *Toronto Star* on September 1, 1976.

Again, on the other hand, we have John Loughheed who has installed a solar heating system that uses his outdoor swimming pool as a heat sink. He expects that it will supply 70 per cent of this winter's heating requirements for his house. His total cost has been \$6,500 and it has been heating the swimming pool during the summer. With water tanks or reservoirs incorporated into the basements of new houses, this cost could be reduced.

The heat pump, especially designed and built for this Orangeville house, is now in production and, with mass production, it would undoubtedly cost significantly less. Solar heating panels are now available on the market and will be subject to the reduced cost benefits of mass production and, we certainly hope, improved technology.

Mr. Rick Symmes of Terra Cotta has built his own solar heating system at a cost of \$1,300 for materials. Last winter he saved \$168 because the solar energy system saved him almost 6,000 kilowatt-hours of electricity. One of Mr. Symmes' objectives was to see whether—and I'm quoting him—"a no-grant solar heat system is economical and practical." In view of soaring hydro rates, Mr. Symmes expects to recover his investment within five years.

Down in Essex County, we have a solar heating project going on at Wheatley. This winter a veterinarian, Dr. L. S. McKibbin, is planning to heat by solar energy the

110,000-gallon swimming pool that he uses in the treatment of horses. The heating of this pool has been costing \$400 a month during past winters. Dr. McKibbin hopes to cut his hydro bills at least 50 per cent. He has already designed and tested a prototype solar energy heating unit made of Styrofoam, plywood, black Masonite and several pre-heaters from salvaged furnace equipment. This home-made solar power unit seems to be relatively inexpensive and it will be surprising if it does not pay for itself in a short time.

I know that the minister has visited the Pepper solar energy device at Granton and has seen what can be done by one family using only \$1,500 worth of materials in devising its own prototype solar energy system. If this had been incorporated into the house while the house was under construction, there would have been some further savings in other materials, for example, shingles as well as a very large amount of piping. Mr. Pepper has the material cost of his solar panels down to about \$1 per square foot, which is significantly less than the cost of those that are on the market at the present time.

Question three, I believe it is: Is the ministry making practical use of anything that has been done by the Pepper, Symmes, Loughheed and McKibbin families? Has anything practical been learned and is any benefit going to come from these individual private prototypes?

What puzzles me is the huge sum of money that was spent on Provident House near King City, which I believe was \$50,000 for the solar energy part of the house, and the \$30,000, I believe, for the Lorrigan house in Mississauga. I sometimes feel cynical enough to wonder whether these two demonstration houses are designed to demonstrate the feasibility of solar heating or whether they are intended to persuade the public that the cost of solar heating systems is simply prohibitive and so to forget about it.

[3:45]

When Mr. Symmes, who incidentally is chairman of the Sierra Club of Ontario, can install beside his house an A-frame type of solar heating system using rocks and/or gravel for heat storage at a total cost of \$1,300 for materials and can save himself 5,920 kilowatt-hours of electricity in one winter, what further demonstration of solar power's feasibility and economic competitiveness is needed?

What we need is the publicizing and popularizing of solar power by the ministry, together with active encouragement of low-cost mass production of hardware, improvement in technology and the training of what you might call experts in quick, reasonably priced installation procedures. Perhaps this is an area in which co-operation with the Ministry of Tourism and Industry could prove fruitful.

Whenever conventional heating system costs are being compared with the capital costs of solar energy systems, there is another factor in the economics of residential heating that seems to be overlooked. Every new house built today with a gas or oil furnace may be obsolete in as few as 15 years, at least as far as its heating system is concerned, because there may not be the gas or oil available to use in the furnace. Replacing of oil or gas furnace and a furnace room with a heat sink and/or a heat pump means that the present furnace will become a financial loss. How many 1976 houses have been built from plans that have taken into account the probable need to adapt to the solar heating system long before the structure is otherwise obsolete? I venture to say very few.

Question four: Would the minister not agree that his ministry and the Ministry of Housing should be co-operating so that all 1977 housing starts should be designed in such a way that supplementary solar heating additions or adaptations could be easily made?

It's probably true to say that solar houses should extend east and west, so that a maximum of roof space is available for solar panels on a southern sloping roof. If this is true—and it's high time we found out for sure—then at least all future homes in Ontario could be sited with this requirement uppermost in mind. We have all seen developers use the same floor plan for houses that face east, west, north or south, and we have seen houses designed to have neighbours on both sides, placed instead on a corner lot with an uninteresting blank wall facing a side street. Houses designed for the future should be sited properly with the future use of supplementary solar heat in mind.

For several years I have been advocating a change in hydro rates that would encourage conservation rather than extravagance. At present most residential consumers probably realize that in each two-month billing period, the more electricity they use, the lower the cost rate becomes. This state of affairs puts no pressure on them to conserve towards the end of each two-month period. On the other

hand, if a residential hydro consumer knew that the first 200 kilowatts in each billing cost one cent per kilowatt, the next 200 cost two cents, the next 200 cost three cents and so on, then he or she would become very conservation-conscious, at least in the last couple of weeks of the billing period. This example may be extreme, but it is mentioned just to illustrate that a formula for billing could be worked out that would conserve electricity and therefore, of course, our scarce fossil fuel resources.

Question five: What news has the minister on the progress of conservation-promoting hydro rates?

I have come across some interesting statistics about energy use that say something important about electricity and therefore Hydro. These few figures are United States figures for 1972, but their lesson applies to Canada and Ontario. Seventy-eight per cent of all Btu consumed in 1972 in the United States went to end uses, such as heating and cooling buildings, making steel, fuelling vehicles and so on. But 18 per cent of all the Btu consumed was heat wasted in the generation of electricity itself. When Ontario's electricity was made from renewable water power, this heat waste was not very important, but when electricity is made from oil and gas there is a shocking waste involved.

Question six: What is the position of the Ministry of Energy toward this wasteful aspect of the kind of electricity that is generated from fossil fuels? For example, in the off-peak load periods, what kind of generation is reduced? Is it the electricity generated by water that's reduced or is it that which is generated by oil and gas? Perhaps the minister could give us a picture of how planning for peak loads and off-peak loads fits into the conservation aspect.

I should appreciate answers to these six questions that I've raised in the course of my opening remarks. Later, still under vote 1 relating to general policy, I have some other questions I should like to ask one at a time.

Mr. Vice-Chairman: Thank you, Mr. Burr. We will now have Mr. Reed.

Mr. Reed: I appreciate having the opportunity to lead off for my party on the subject of energy. I'm glad it came early because I've been writing down notes as we're going on here and I can't read my writing anyway. I'm in greater and greater difficulty as time goes on.

I'd just like to make a comment about the statement which I think all of us have acknowledged here, that is the relative impor-

tance of energy and the fact that energy is very definitely increasing in importance as time goes on. We all have to recognize that the bulk of the productivity, the bulk of the increase in the standard of living and the bulk of the so-called progress that we have made in this province and indeed in the western world have been due to the utilization and the increased utilization of this magical thing that we call energy. It's also a fair statement to say that the fact that it is becoming more critical has not communicated itself thoroughly to the general public.

In the Hydro select committee last spring there was an analogy made in terms of our utilization of energy which said that we in the western world now employ the equivalent of 70 slaves operating at our individual behest 24 hours a day and seven days a week. The comparison is very graphic when we stop and think about the way we do use energy. We often wonder at, and I think we're beginning to become more aware of, just how we employ those slaves or whether those slaves are really doing necessary work for us or if they are goofing off.

We all recognize the fact that non-renewable resources are now finite. It doesn't really matter whether we have enough to last us another 30 years or whether we have enough to last us for 10 years or a 100 years; the fact is they will come to an end. At the rate we're consuming them at the present time, they'll probably come to an end a lot more quickly than necessary.

We've also recognized the fact in the past year, and the minister alluded to it, that it's been a very eventful year in energy in Ontario. We've alluded to the fact that this province imports 80 per cent of the energy it consumes from outside its borders. Hence, I think we should recognize in that a challenge and it would seem to me that the challenge should be to set a goal to become ultimately self-sufficient in energy in the province of Ontario. If we consider the dollars, the actual, hard-core finances of energy and what we spend and where we spend it, we find that we are in provincial terms creating a severe balance of payments deficit. It would seem to me then to be only logical to be at the forefront of the development of energy techniques which will have their roots and their development and their production inside the borders of Ontario. That's only logic.

We have lived with the fact that we've had cheap energy and it's been abundant. But now we recognize that those days are

over and we have another course to chart. I might say I'm pleased to see the ministry has somewhat increased its priority in terms of its exploration into the area of renewable resources. I am disappointed and frustrated that it is not, in my mind, very extensive nor is it very specific at this time.

In terms of public appreciation of energy, I did ask the minister at the beginning of Energy Conservation Week if he would undertake in this case to direct Ontario Hydro to become specific with the homeowner and let him know just what could be done to improve the energy consumption in the individual home. At that point my suggestion included a flyer that could be included in the hydro bill outlining some of the steps that are taken. As yet, so far as I can tell—unless I'm not getting the mail—there is very little of specifics for the homeowner coming from the Ministry of Energy in Ontario.

The minister has defined his position as being that of a catalyst which will spur other ministries to action and so on. I think this position is very commendable because, after all, the connections are very direct. If we need a bee in our bonnet in order to become conscious of energy conservation, then the Minister of Energy certainly should be that bee. I would like to ask him about two particular ministries and I wonder if he could possibly answer the questions in the next few days. One is what is he doing in his relationship with the Ministry of Agriculture and Food in terms of the catalytic effect that his ministry may have and what is he doing specifically with the Ministry of Natural Resources, recognizing that there are some very direct energy ties with that ministry?

I don't want to put us necessarily into a position where we're going to be compared with our cousins to the south in terms of our commitment to renewable resources. But I think it must go on record that the United States committed a couple of years ago about 50 cents a head for every man, woman and child in the States—I think it was \$90 million—for what was called the ERDA programme, which was the energy research and development.

[4:00]

I had the good fortune to be in Winnipeg this summer attending the solar energy conference and we were able to see and obtain the first results of that \$90 million expenditure. The first results are exciting and they are promising, and while many of them may be 10, or 15, or 20 years down the road,

they're there; and they're there because a government took it upon itself to seriously support the research and development.

I would like to suggest to the minister that Ontario, too, should participate in some active research and development in terms of renewable resources. This would not be with the intent of reinventing the wheel, because, after all, that's not what we want to do. But it seems to me that if we participate and if we take the lead in subject areas that have potential and can be developed, it means that we can also entertain the industrial potential of that development within the borders of our province.

I think it's rather naive to sit back and simply wait until somebody else does it and then have to turn around and buy their technology and their hardware and whatever else we may need. As Canadians, I suspect that we have been in that position to a greater or lesser extent since Confederation and perhaps before. But I don't think that has to go on, especially when you consider the need in a province that is so energy intensive and is now the industrial heart of this country. If we were to lose that, Ontario indeed would be in a sorry state. I think that research and development are of the essence here, especially on a practical scale and especially in areas that are not being tackled—in areas where we can lead.

Conservation, of course, is on everybody's mind. It's very important, and it's going to be important to aid in the transition between the era of non-renewable resources and the new era which will undoubtedly be upon us in our lifetime—at least in yours, if I should live so long. We've got to conserve and we know that we can conserve. We know, for instance, that at the present time something slightly more than 50 per cent of the energy that we consume is wasted.

There are areas of conservation, Mr. Chairman, that are of great interest at the present time. One area that concerns me is the way we use the resources that we have. For instance, some energy resources are high-grade, as we know, and some are lower grade. I know nothing about the laws of thermodynamics, but we're beginning to recognize that it's really a total waste to apply a high-grade energy form to a lower grade result. In the case of electrical generation in Ontario, for instance, almost one-third of that generation is being used for a low-grade end result. I could mention space-heating, I could mention the heating of hot water, temperatures which we would con-

sider to be low-grade which would fall below 170 or 180 degrees.

Mr. Burr: Like lighting this committee room.

Mr. Reed: Along that line, I would also like to mention and might well use it, and that is the electrification of at least a portion of our transportation system. When you talk about the efficiency of the utilization of energy, you have to recognize that using electricity to turn wheels is a lot more efficient than using it to produce heat through resistance heaters.

Getting back to public awareness, I was pleased that the minister recently presented the report on Hydro pricing. It seems to me, if my memory serves me correctly, we will be moving towards a flatter or a flat rate charge for electricity, rather than the old traditional form where the more you used, the cheaper it was. This is a step in the right direction. I would suggest to the minister, and urge him to consider seriously, going one step further to a reverse incentive system where the early block purchase would be made at a preferred lower rate and the next block purchases at a progressively higher rate. Perhaps Ontario Hydro might counter with the fact that their revenues might indeed fall, but that period of adjustment is now under way and it's going to take a few years for it to wash itself through.

The potential for self-sufficiency in energy in Ontario is something, it seems to me, that has not been given due consideration at this time. I must say I was also pleased to see that the minister is going to be attending a symposium on alcohols for fuels.

Hon. Mr. Timbrell: Wood alcohol.

Mr. Reed: I'm just not sure what kind of fuel you're referring to—

Mr. Ruston: More power to you.

Hon. Mr. Timbrell: Wood alcohol.

Mr. Reed: Well, I was going to qualify that; it is indeed wood alcohol. It brings up a whole subject area of renewable resources that we have not really dealt with in any depth in Ontario, and that is the production of energy from our plant life, our agriculture or whatever.

At the solar energy conference in Winnipeg we were treated to some scenarios on costing of methanol production using intensive agriculture as the source. It would seem that as a portable fuel and doing cost comparisons with gasoline and washing through

the energy, Btu availability, etc., we find that we're getting very close to where we're doing a cost break-even situation. Another 30 cents on the price of gasoline, which the OPEC countries will probably end up imposing on us before too long, will probably make methanol look very attractive as an alternative portable fuel. I would suggest that this be one of the areas that the Ministry of Energy devote a good deal of attention to.

We can also expand on the use of plant life. If you like, we know that there are some plants that store their energy as hydrocarbons directly rather than as carbohydrates. The potential for this utilization is there. It might also be interesting to note that the process of photosynthesis as we know it is still the most efficient converter of solar energy.

Our goal, it seems to me, should be ultimately self-sufficiency in energy in Ontario. We have the means to achieve it. It's here. Some of the cost factors are just a little ahead of us, two or three years down the road in some cases or five years or farther down the road in other cases. But that is the goal. And if that goal is pursued, I'm not the least bit pessimistic about the future for energy in Ontario; nor am I the least bit pessimistic about the potential for injection into the economy of this province, because if we can begin to retain inside our borders the money that's being sent out of the province, we will surely achieve and maintain a healthy economic state.

Mr. Chairman: Mr. Minister, would you like to reply to both speakers?

Hon. Mr. Timbrell: Yes, sir. I think, if I may, I'll try to respond from my notes to each of the points made by the previous two speakers, and then there may be some points on which I'll want to ask some of my staff in the ministry and perhaps some from Hydro who are here to comment on others as we go along.

The first has to do with the point which is very well made by both speakers about the way in which we use energy today. I remember a few months ago—I can't remember if it was from my staff or some external journal that I was reading—it was made abundantly clear just how serious that is from population and energy-use statistics. I think when you talk about the type of attitude towards energy you have to talk about North America; it's not just Canada nor is it just the Americans. On this continent we're roughly the same in per capita energy use. Between us on this continent we have about seven per cent of the world's population and

yet in a given year we use approximately 30 per cent of the energy consumed in the world. I suppose that relates to the fact that energy supplies have always been up until recent years one of the last things that people concern themselves about on this continent relative to other expenses.

The cost of energy has in fact declined dramatically in North America. In that regard I'm thinking of a graph which is in the latest annual report for Ontario Hydro—page 10, I think, of the 1975 annual report—that traced three things: The cost of electricity per kilowatt hour, the consumer price index and the average industrial wage in Ontario between the years 1950 and 1975. If you take 1950 on this index as 100, the average industrial wage in 1975 exceeds 300; the consumer price index exceeds 200 and the price of electricity in the province I don't think even gets over 150 or is about 150. Although not in the exact same proportions, the same can be said to be true and shown about the prices of other energy forms in the province, whether we're talking about natural gas or petroleum products.

Our attitudes towards energy then have been created by a situation very much of our making in the sense that we're the ones—I was going to say our generation though I don't mean any disrespect to the member for Windsor-Riverside (Mr. Burr)—our two generations are the ones who have—

Mr. Burr: That's all right, son.

Hon. Mr. Timbrell:—in the development of our electrical utilities and in the development of the oil and gas industry in the country constantly expanded in such a way as to achieve maximum efficiency and lower marginal costing, if you will.

Obviously we've reached the point, which should have been evident all along but was not because we were set on industrializing this country at the lowest possible cost and with the greatest of dispatch, where it's not that the resources—I know he didn't mean it this way in his choice of words—have become finite; they always have been finite. It's just a matter that now we're hard up against some of these facts.

[4:15]

Mr. Reed: Right, they have always been finite.

Hon. Mr. Timbrell: The member for Windsor-Riverside suggested that oil and gas was going to run out in—I think he used the figure 15 years—we have only a few years

left. That's more pessimistic than any other projection I've ever seen.

Mr. Burr: Fifteen years for gas, I saw recently. That was somebody's estimate.

Hon. Mr. Timbrell: I didn't see that. The last report of the National Energy Board on natural gas suggested that towards the end of this decade we would start to have supply problems, that is that demand would exceed supply, but that by the early Eighties, with the connection of a northern pipeline, the balance would be restored. In the last year and a half, the rate of discovery in southern Alberta, particularly in the traditional area, has been such, and the rate of growth and demand has been such, that now you get TransCanada Pipelines coming to the distributors and saying "assuming no outrageous growth in demand, we can keep you going until about 1982 or 1983—there shouldn't be any great supply problems."

You recall that just a year ago yesterday we put through the bill to provide for the allocation of natural gas. Based on the information that we had at that time it appeared extremely urgent—it appeared that in 1976 we should begin at least some dry-run hearings and in 1977 some hearings that would evolve into allocation plans. The urgency isn't there, from what we know now, because of the rate of discovery.

Mr. Burr: Yes, but I have 10 grandchildren. The urgency is there for them.

Hon. Mr. Timbrell: Yes, I agree with that.

Mr. Burr: Right. Whether it is five years, or 10, or 15, or 20, that doesn't matter. The urgency is there, that's all I'm concerned about.

Hon. Mr. Timbrell: I wanted to comment on that. I try to get out to the schools and the campuses as much as possible, because they're the people whose attitudes towards energy use I, as minister, and we, as members, have got to shape. I look at my own family. My mother—I don't think she'll mind if I mention her age—is almost 49; there's not much I can do to change her attitudes on most things. I think that's just because she's been around longer and she's had longer to hold those attitudes and reinforce them. But I can have a great deal of influence on my twin sisters who are not quite 15—as can other people to whom they look for advice and whom they respect.

When I go to the schools and the campuses the question which I'm most often asked, is

how much energy do we have left? They know that the projections of the National Energy Board have changed significantly over the last five or six years. The fact that the methods of calculation and the projections have changed is not the point. They ask "How much do we really have?" My response to them is always that if you allow yourself to get caught up in the question of varying and various estimates then you're really into a mug's game—because nobody really knows; nobody.

Mr. Burr: The answer is not enough.

Hon. Mr. Timbrell: It depends on who you talk to. At this time—and this is another issue related to selling conservation—one of the biggest problems we have in selling conservation is the fact that there is a glut at the moment—

Mr. Burr: For us.

Hon. Mr. Timbrell: You've got to convince people that when we're talking about conservation, when we are talking about load management, or any other term you want to apply, we're talking about trying to arrive at a suitable balance five, 10, 15 years down the road. While it's true we have a glut of every form of energy at the present time, we can foresee some problems.

Ms. Gigantes: It should encourage you to know that my kid won't take a bath and she won't put her socks in the laundry.

Hon. Mr. Timbrell: Where does she put her socks? Okay.

You mentioned coal. The greatest deposits of coal in the country are in Alberta. The government of that province in recent months has brought out its long-awaited coal policy, and while inherent in that policy are some frustrations for the rest of us in the country, basically what it is saying is that although there are in fact centuries of supplies in the province, it is not about to have unchecked development going on; there is going to be an orderly development of that resource, with a good return to the people of the province in mind. We might argue at times that perhaps it's too high a return, but that's a judgement call on our part versus a judgement call on theirs.

They are going to see to it, first of all, that the development of that resource will benefit Alberta and, secondly, that the environmental impact on their province and on infrastructures of communities is balanced against the desires of the applicants. It's interesting that

in the first two decisions they handed down, one involving Ontario Hydro and a project in Alberta was approved. The second decision had to do with a strip-mining proposal from Calgary Light and Power, one of the largest, if not the largest utility in the province, and that was turned down.

Both members have referred to the need to place greater emphasis on solar energy or, if I may use the term, renewable energy research and applications. I would argue that, relative to where we were at a year and a half or so ago when I first became involved with the ministry, we have put a great deal more emphasis in this area, not just in Ontario but nationally. This is an area of concern that I have expressed at several federal-provincial conferences and about which I have written again very recently to the federal minister.

Given the fact that the various departments involved in energy matters in the provinces and in the country do have limited resources available to them, mainly because of a general restraint in spending across the country and the fact that the social service ministries in every government eat up the lion's share of the budget, we must be sure to co-ordinate what we are doing to ensure that there isn't duplication and that we are getting, if you will—to use the vernacular—the biggest bang for the buck in the country. In fact, I have suggested to Mr. Gillespie that we should have a conference of the provinces and the federal government in the very near future, devoted primarily, if not strictly, to the question of research and development and the setting of some goals and creating some co-ordinating mechanism.

The hon. member for Halton-Burlington (Mr. Reed) referred to an expenditure in the United States of 50 cents per capita. If you want to judge it on that basis, I think if you add up what is being done in the country, we are spending in excess of that—certainly in Ontario—in terms of work that is going on.

Mr. Reed: Yes? I can't believe that statement, Mr. Minister.

Hon. Mr. Timbrell: Between the federal government and ourselves?

Mr. Reed: No. I was referring to the commitment in Ontario.

Hon. Mr. Timbrell: I said between the federal government and ourselves.

Mr. Reed: It seems to me last year we spent a total of \$50,000 and we had another \$30,000 committed or something like that.

Hon. Mr. Timbrell: I'm lumping the energy management programme as a whole with the activities of the federal government.

Mr. Reed: But the ERDA programme was created, conceived and the money spent simply on—

Hon. Mr. Timbrell: Well, maybe if I can finish my remarks—

Mr. Reed: I'm sorry. Okay.

Hon. Mr. Timbrell: —then we can get into this point by point.

There was some suggestion that Hydro is—I think the expression was—still bound to old slogans. I am too young to remember "Better light, better sight." I really don't remember that one.

Mr. Burr: You are young.

Hon. Mr. Timbrell: That's a new one to me. I certainly do remember the slogan "Live better electrically" but there are lots of people in this province who wouldn't because it hasn't been used for about four years. In fact, about that time the government made it clear to Hydro that that slogan and the frame of mind that went with it and was induced by it was no longer acceptable and that greater emphasis had to be placed on conservation. Since that time all of the advertising of Ontario Hydro has been directed to conservation. We have seen a number of recent developments, such as the fact that Hydro in the last year has done away with its marketing division and has created a conservation division with a healthy budget in it. Mr. Wright, the director of that division, is here today and members may ask him to comment on some of its activities.

Changes in government policy direction to Hydro—certainly changes in the last year on the matter of capital availability—have possibly been one of the most significant, if not the most significant, influences in making it clear, not just to Hydro to which I think it was evident before, but to the utilities as well as their customers, that the days of doubling demand every decade were just no longer acceptable, that we are going to have to scale down our expectations in order to live within reasonable bounds.

On the matter of the heat pumps I thought I would ask Dr. Johnson, or Dr. Rowe, or Dr. Higgin to comment on the heat pump research. Mr. Wright, would you like to comment on some of the specifics?

Mr. Wright: We have a heat pump programme that is partially funded with the

Canadian Electrical Association. This is to develop a heat pump for Ontario climatic conditions. We started in this programme, I guess almost two years ago, and it has taken that long to develop the resources and the special facilities at our research division at Kipling to get into the depth that is required for the type of fairly fundamental type of research that is involved.

As you know, the heat pump that's on the market today is basically of American design, developed originally to be an air conditioning, a cooling requirement, for locations south of the Mason-Dixon line in the United States. It has had increasing application in the northern parts of the United States and in Canada. Our interest now is to develop one that is more efficient for Ontario climatic conditions and for the climatic conditions for the rest of Canada. That is why the Canadian Electrical Association through its R and D programmes is funding part of our effort. Our effort right now in our research division, if I had to put a dollar value on it, is something better than \$200,000 a year. It involves some very special facilities with regard to test rooms and controlled climatic conditions so that you can properly gauge the effectiveness of prototype devices.

In addition, we have an arrangement with three manufacturers that have heat pumps on the market today whereby we monitor installations on a selective basis to see how they perform from the standpoint of energy consumption and also from the standpoint of the operation and maintenance that the customer experiences with them. I think one point that a lot of people forget about conventional heat pumps is that they are married at present with an electric furnace. As soon as the temperature gets below 20 degrees F, then the heat pump ceases to operate as such and you'll get a standard resistance electric heating system coming on the line. So the existing heat pump is not a device that would permit Ontario Hydro over time to back off generating capability, even if it was improved in efficiency.

[4:30]

My personal opinion is that the heat pump ultimately will be married with a fossil-fueled conventional furnace. This perhaps will be the best way of the consumer meeting his heating requirements. That is basically all I have to say about the heat pump, Mr. Minister.

Mr. Reed: I suspect you are aware there is a private product on the market that is being married into conventional systems.

Mr. Wright: There are about 30 of them installed in the province, Mr. Reed, at present.

Mr. Reed: I am sure that you are also aware that—I have some statistics that indicate that 60 per cent of the sales of heating devices in Washington, DC, are now heat pumps.

Mr. Wright: The sales of what?

Mr. Reed: Heating devices—that is, home heating devices.

Mr. Wright: The Tennessee Valley Authority area is quite a bit larger than that.

Mr. Reed: Is it?

Mr. Wright: Yes. But once again, these people are pre-committed to a central air conditioning system. In other words, if they want to put the capital into an air conditioning system they justify the additional expenditure for the heat pump.

Mr. Reed: Would it not be logical to conclude then, knowing that you have attained parity at 20 degrees F and so on, that the place to develop a heat pump is not going to be with Ontario Hydro? You are absolutely right. You put it in conjunction with an electrical heating system and you gain nothing in terms of peak management. In February when things get cold, off goes the heat pump and on comes the baseboard and it is the same old game.

Mr. Wright: But it is a substantial energy saver.

Mr. Reed: Quite so. So would not then the logical development be as you had suggested, with the fossil-fired system?

Mr. Wright: My personal view is that ultimately that is where the real payoff in the heat pump will come. But once again, that will be when the price of fuel dictates a substantially higher investment in the capital for your heating plant.

Mr. Reed: Except that the heat pump is not only a heater, it is a cooler as well—

Mr. Wright: That's right.

Mr. Reed: —so we are looking at a double use.

Mr. Wright: That is correct. If you have a desire for central air conditioning in your home.

Mr. Burr: Mr. Chairman, may I ask what happened to these experiments of 30 years ago?

Mr. Wright: Thirty years ago there was one experiment I recollect, strictly from reading reports, and that was using a ground source heat pump. This was where you had massive copper piping installations in the ground and you used heat from the ground as the method of getting your heat into the home. These systems failed in many cases because of the fact that you lower ground temperature. As a result of that, you need massive capital investment in the copper piping system and you need a very large sized lot to do it. This was an experiment in Ontario at least 25 or 30 years ago.

Mr. Burr: Is there a report available on the results of those experiments?

Mr. Wright: Yes, there is.

Mr. Burr: Would it be possible for me to get one?

Mr. Wright: Yes, it would be.

Mr. Burr: Would you send me one?

Mr. Wright: I would be very glad to.

Hon. Mr. Timbrell: Does that answer all of your questions at this point on the heat pumps?

Ms. Gigantes: Yes. There is one more question. I don't know how much detail you want to get into on these kinds of things, but I think that Mr. Reed's question certainly is pertinent. We have just been told that these devices should be used in conjunction with fossil fuel-fired furnaces. On the other hand, we are being told that we are relying on the Canadian Electrical Association to do the innovation in this area.

Hon. Mr. Timbrell: Obviously, the development of the actual technology will be in the private sector. The marketing of it—the monitoring, the impetus if you will, the pushing—is coming from Hydro, in their relationship with the private sector on an on-going basis.

Ms. Gigantes: Who is going to be interested in this question? The oil companies are not going to be interested. The gas companies aren't going to be interested. What is actually going to be done and why should the electric association be interested?

Hon. Mr. Timbrell: I don't think that is entirely fair.

Mr. Wright: We took the R and D proposal to the Canadian Electrical Association as such and they agreed to partially fund it as

one of their national R and D programmes. We are working, as we do in most research programmes, with Ontario manufacturers in this case in the development of prototypes that we would be putting in place, probably in the early part of 1977. At this stage, I think it is too early to determine what sort of marketing stance you would want to take with this, depending on what sort of product you end up with and what the manufacturer is going to be telling you about what his cost is going to be relative to other heating systems that will be on the market at that time.

Mr. Reed: Excuse me, could you tell me what the backup is on these systems that you are experimenting with now?

Mr. Wright: The backup on what?

Mr. Reed: The backup heating device?

Mr. Wright: Most of the heat pump installations in the province right now have a standard resistance electric furnace, once again because of the fact that the individual has a precommitment to central air conditioning which then has a forced air system to go with it. That is why they use a central electric furnace as the backup system.

Mr. Reed: Except that you said yourself that it would be far better if they used a central system that was fossil-fired—

Mr. Wright: I think that is ultimately what you probably can end up with.

Mr. Reed: —because there you are looking at total consumption which is quite substantial.

Mr. Wright: When you end up with that system—and I personally believe it would be well into the 1990s when that would happen—you would probably use a storage type of system with any type of fossil fuel for peaking purposes. That is just a personal viewpoint as to how it would evolve.

Mr. Reed: You say well into the 1990s? They are being installed right now. I can take you out to an engineering firm in my riding and I don't think they are any more advanced than anybody else.

Mr. Wright: I think in terms of the 2.5 million homes in the province as compared to the 30 or 40 installations that exist right now, that type of system just costs too much.

Hon. Mr. Timbrell: It has a long way to go. In the discussion on an electrical system as a backup in fossil fuel, you have to

put that against what you were suggesting, Mr. Reed, that is, that we become totally self-sufficient. Given what we have or don't have in the province in terms of fossil fuels, you may be hard up against that goal if you promote this.

Mr. Reed: Of course it is quite possible by that time we will be firing in a little methanol into the furnace.

Hon. Mr. Timbrell: Or whatever.

Mr. Makarchuk: Fire them up or anaesthetize them.

Hon. Mr. Timbrell: The next point that was raised was the question of the series of experimental houses of which the member for Windsor-Riverside (Mr. Burr) is aware, all of which I have read about and one of which about six weeks ago I visited, that of Mr. Pepper at Granton, Ontario. Rather than trying to run through the whole list myself, I will ask Dr. Higgin to comment on these systems and what we have learned about them and from them in the last year and a half or two years.

Dr. Higgin: There was quite a list of houses that Mr. Burr referred to. I will try to take them in the order that I got them down.

Mr. Burr: Excuse me, please. My question was simply what is being learned of use from them? I don't want a detailed list of what everyone does and so on, but what is of interest and profit to us.

Dr. Higgin: You asked specifically has the ministry made any comparisons between the house in Columbus, Ohio, and Provident House? We have made such comparisons. First of all, the electricity costs are higher in Columbus, Ohio. It is slightly milder in climate. As you said, it has 37 panels. This amounts to somewhere around 1,200 square feet of collector. Canadian collectors to buy are in the range of about \$8.50 to \$10 per square foot. Storage, 4,000 gallons, costs around 20 cents a gallon. Just on a straight quotation to buy the hardware, I get \$14,000 if I was to go out on the market and try to get the quotes here in Canada; and that is not installed.

We must accept that there is a cost difference, and it is quite a big one, between Canadian and American conditions. I think we have to be concerned about why this is and look at ways of trying to bring down the costs. I am sure you wouldn't advocate that we go and buy American just because we

can buy a system cheaper. The fact is that if we go and buy commercial Canadian systems, we have to pay more. But by creating a market we are assisting the Canadian industry in a small way, and we must expect to pay this premium until the market takes off, as it has done in the United States, either due to massive federal funding or to private sector involvement. The private sector involvement, I think you will realize, will come when it is seen to be a commercial proposition.

Mr. Burr: Excuse me. What is that 20 cents a gallon figure? I didn't understand that.

Dr. Higgin: That is the typical cost for thermal storage systems for solar systems.

Mr. Makarchuk: Is that the installation cost or is that per annum?

Dr. Higgin: That is simply a capital cost to buy the tank, never mind installing it. The fact is that there is probably twice the differential between going out in the United States and buying the hardware and going out in Canada and buying the same hardware.

Mr. Makarchuk: Just on this point, one of the things that was brought out on a visit to the Ark installation in Prince Edward Island was the fact that the people there stressed that if they had gone ahead and asked for special equipment for solar heating and so on, the prices would have been atrocious; so in effect, what they did was they just got standard equipment. They asked for a pump that would deliver so many gallons per hours; for collector panels, they asked for Plexiglass panels that were available in Scarborough, and so on. They found that they were able to get their equipment for a lot less than if they had got it specifically designed or at least nomenclatured as for solar heating purposes. In many cases they implied that the equipment was basically the same, but once you started talking about solar heating, the price just went up automatically. I wonder if you have had any similar experiences or has this been discussed or looked into?

Dr. Higgin: Yes. If you go shopping around and try to buy the cheapest equipment you can and if you are willing to do a lot of the finishing work on it yourself—i.e., you are willing to glaze it, put it in the boxes, hook it up and so on, doing it all yourself—then of course the price is going to be lower than for a unit that is completely

ready to install on the roof. So no doubt you can reduce the prices by buying parts of equipment and so on.

I think you are talking about two different areas here. One is the do-it-yourself area and the other is the commercial area. I understood from the discussion that the interest was principally in getting rapid commercialization of solar systems, that this is what you were looking for in your discussions, rather than encouraging the odd do-it-yourselfer. That is why I have given the answer on that basis.

The other one which I think we must address here is the Middleton report, because this thing is cropping up all over the place as the bible of solar energy. The Middleton report quotes a price of \$5,005 for a system installed in 1979—but those costs are in 1974 dollars. He currently gives a similar price range for solar collectors from \$8.50 to \$20 a square foot. In fact, the system has got a total of 750 square feet of collectors so, even doing a straightforward calculation, the collectors alone would cost you \$5,000. That doesn't include the solar storage and it doesn't include the piping, wiring and controls.

[4:45]

We are finding that these are a quite substantial part of the cost and the difference between the purchase price of a collector and the installed price is also very substantial. It costs quite a bit of money to rent a crane and hire two men who have to be steeplejacks to get up upon the roof and install these collectors, and this is the way the costs rise. Peter Middleton's report gives costs that he projects would be a follow-on in 1979. Let's just get that date clear. He is not talking about a system that he could build or go out and buy today. The Hydro report to which you have referred was for a different year. That was buying it right now, for the \$13,000 that you referred to. If you use Peter Middleton's unit costs on the collectors and so on and add a little bit for storage, you would come out seeing that Ontario Hydro's costs were quite on the optimistic side for 1975.

There is this big confusion between the two years. He is making projections that the costs are going to come down to \$5 a square foot installed for the whole system—tanks, collectors and everything in 1979. That's a pretty big step from \$10 a square foot just to buy a collector. I hope he's right. We all hope he's right and that that's what the costs will come down to. The fact is the costs

are a long, long way away from there. In fact, I would even say that Ontario Hydro's cost estimates are slightly on the optimistic side for right now based on our own experience.

Mr. Reed: Just as a comment on this, I know what my NDP friend is referring to. The cost of equipment that is specifically designated as solar-type equipment is selling at a premium. But I would like to suggest to him, knowing that and knowing the potential demand for the future, I would suggest it's a good bet that in the next few years there are going to be some really good opportunities for some free enterprise businessmen.

Hon. Mr. Timbrell: It's five or six years since the first pocket calculators came on the market. When they first came out they were about \$100. Now there are units available for \$15.95.

Mr. Ruston: And they do more.

Hon. Mr. Timbrell: With the encouragement that we are trying to give to the private sector to get into this field to develop the market, you will see it come down. Did you have other points that you wanted to make?

Mr. Makarchuk: I wonder, on the same point, if that perhaps is something the ministry should be doing. From discussions I have had it's not that difficult and it's not that impossible to develop some type of solar energy collector systems or heating systems and perhaps it should be one of the projects for the do-it-yourselfers. There are a lot of people who have a lot of talent these days for doing things themselves, particularly with prices going up.

Hon. Mr. Timbrell: There are a lot of people getting into that.

Mr. Makarchuk: That's right. It's the kind of information that should be disseminated instead of dealing with the standard package and the perfectly engineered project. I know cases where people have bought the sides out of freezers and painted them black and stuck a little pump on them and are heating their swimming pools and things like that. These are the kinds of things that perhaps should be part of the ministry process.

Dr. Higgin: Those are not the things that are going to have a major impact on the energy in the future, on solar energy. I don't even know whether we could accept that that was the way this thing would become commercialized. I think that's an open ques-

tion. I think the do-it-yourselfer has to be encouraged. We learn a lot from these people. Certainly we do learn a lot from people like Carl Pepper. As you know Carl Pepper by virtue of his employment, was able to get the materials for next to nothing for that installation. If you went and bought the materials at Canadian Tire, it would cost you three times as much as it cost him just to buy them.

Hon. Mr. Timbrell: That's a point I think bears some emphasis. In Mr. Pepper's case what he did was to go to scrap metal yards and junk dealers. His solar collector is made up of truck bodies; flat beds from trucks from wreckers. The heater he has for his pool which he is going to connect to his hot water system, is some old rads, which again he got from the wreckers. So, by scrounging through various sources, he was able to develop his system.

I had the figure in mind of \$1,200, not \$1,500, which of course is not labour inclusive. Mr. Pepper and his wife spent virtually every weekend, every night and every holiday for about four or five months working on the system, building the collector, insulating the collector and insulating the pipes into the house. For instance, their hot water storage system, which I believe holds about 3,000 gallons, is two old gasoline truck tanks, one of which was given to him and the other cost him \$40, I think. It cost him \$25 to have them steam cleaned and he cut them in half with a torch, finished off the ends again and insulated this room in his basement, which is darned hot, I can tell you.

Mr. Burr: And lowered it through his kitchen floor.

Hon. Mr. Timbrell: That's right, through the floor of what was his kitchen at one time. While he was at it, he moved the kitchen to get ready for it.

Even using scrap material, if you were to calculate the cost of the labour which he and Mrs. Pepper put into it, you would be well over \$3,000, if not \$4,000, as the cost of that system. Unquestionably, though, I think Mr. Makarchuk's point is well taken and one with which we totally agree, that we have to give every encouragement to the private individual who has got the idea and the drive to work on these systems.

I was impressed. As you know, I put in a pool this year and was looking for a heating system, which I still haven't got. It cost him \$30, using the scrap material, to build a pool heater. It isn't quite enough, he told

me, so he is going to build another one, which he thinks will cost about \$60 or \$70, and use the other one for the hot water system in the house.

The goal has got to be, with the private sector, to encourage them to get into this field. I was talking with a fellow in my riding recently who is in the plastics and asbestos products business. He had just come across something—I don't know if it was something we had sent out from the ministry or something he had read in Popular Mechanics or something—and he realized there may be a market for asbestos pipe for district heating systems. He is pursuing this, which is very timely since we are pursuing the concept of district heating.

So there are people in the private sector who are starting to catch on to the fact that there are a variety of products—brand-new energy systems—which are going to be needed in the not-too-distant future for North America, and they are starting to delve into it.

Mr. Makarchuk: To add to that, Mr. Chairman, the way I look at it is that if you are going to get the people involved in the heating industry to develop systems, the systems they will be developing will be the ones that they can market; it will be to their advantage to develop those kind of systems. The direction that I think can be taken is for the ministry to try to encourage it in terms of spreading out the information and pointing out the possibilities that are available or the type of equipment that is available right now that is not necessarily designed specifically for solar heating but can be utilized for these things. Consequently, if a demand for this type is developed, naturally you will have private entrepreneurs moving in, seeing the demand is developing, and they will be coming up with various components, parts, etc., as they do for, say, if you were building your own little airplane or some darned thing of that nature.

There has to be a start—that is what I want to stress—and there has to be some kind of direction. It's not that difficult, as I sort of garnered from visiting the Ark installation in PEI, because the fact is that a lot of the equipment there was standard equipment. There wasn't anything specially built. Most of it was obtained from Toronto, of all places, or from firms who are manufacturing it for other purposes. If this is the kind of information that is available, then it could flow from that that there will be entrepren-

eurs who will see that there is a market for this and start developing components.

Hon. Mr. Timbrell: I have no idea of numbers, but we do get a number of inquiries from private citizens as well as people who are trying to get into business or are in business. We keep bibliographies of material on all renewable energy sources, drawn from dozens, if not hundreds, of periodicals and reports that are around. We provide the bibliographies to these individuals so that they can pursue it.

Just to come back to Mr. Pepper as an example, a student at the University of Western Ontario did his master's thesis on his system which was delivered at Winnipeg. I don't know whether you were there for that session but a student, whose name escapes me, delivered that paper at Winnipeg. I think Mr. Pepper has in fact prepared some other information which he sells just to recover the cost of printing it, but he does himself promote it with other interested individuals.

Dr. Higgin: They are also included in our solar booklet which is in preparation. We hope to have it published in about six weeks time.

Hon. Mr. Timbrell: We are trying to get the information out and around as much as possible to spark interest or meet interest that is there.

Dr. Higgin: I would like to answer Mr. Burr's other question. If I have it right, he referred to the fact that the Ministry of Energy and the Ministry of Housing should be co-operating to see that houses are laid out and designed so that a solar retrofit would be possible in future when this became economical or became a necessity.

Mr. Burr: A necessity, yes.

Dr. Higgin: Whichever, yes. I think there are two arguments to this question. If we hope that the way we will go with solar systems is really like Carl Pepper's house or like Ric Symmes' house, to develop a packaged system, then that packaged system doesn't care which way the house faces. A packaged system can be installed in the backyard of a house and it can face south. Whether the house faces north, east or west doesn't really matter.

I tend to feel that's the direction we should be pursuing for the commercialization. I tend to feel that the question now of designing every new housing start in Ontario so that it's going to face south or within 20 degrees of south is rather an impractical type

of thing to achieve. It would lead in fact to a lower utilization of land than is currently achieved.

We have already discussed this at various levels and at the conference in Winnipeg with a number of people. It is the general consensus that it's just not practical to do this on single-family units. On larger units, multiples and so on, there is a bit more flexibility in doing this because a larger unit generally has a fair bit of free-standing area that could face south. It's not going to be shadowed by any other developments and so on to the same degree. We have to say that the point is that the packaged systems are the way to go. They generally are on free-standing racks or something of that type, and it doesn't matter which way the building faces.

We also have for residential the possibility, which you are probably well aware of in your reading on the subject, of the mini-utility, whereby subsequently a housing development could be retrofit with a centralized type of solar system along the lines of a district heating system. The orientation of the houses again is not that important when we are considering either packaged individual systems or the mini-utility concept.

Hon. Mr. Timbrell: I think the other point that perhaps needs to be borne in mind, with that which Dr. Higgin has just set in mind, is that everybody is concerned about the price of housing. Any of us who has sat on municipal councils knows the kinds of things that municipalities and the provincial government, through the building code, for what they consider to be good reasons, add to the cost of the price of housing.

Mr. Makarchuk: Not a heck of a lot.

Hon. Mr. Timbrell: Oh, no, even in the three years that I spent on North York council, there were the levies.

Mr. Makarchuk: Not in comparison to the land costs.

[5:00]

Hon. Mr. Timbrell: But the point is that we do—and for good reason. Some would argue, for instance, that the change we put into the building code a year ago, to require higher insulation levels, was perhaps counterproductive in terms of wanting to push housing, but it was done for good reasons, longer-term reasons than just the initial purchase of the house. When we speak of levies for parks, for recreation facilities, for road improvements or whatever, it's a matter of balance.

I think the suggestion you made, Mr. Burr, was that the houses should be built in such a way as to be able to be retrofitted, presumably with a tank system, at some point in the future. There again—

Mr. Burr: I was thinking more of utilizing the rooftops.

Hon. Mr. Timbrell: But you still have to bear in mind the fact that every system I've seen—and Dr. Higgin undoubtedly knows of others that aren't like this—has to have a pool, if you will, or a holding tank for the water.

Mr. Burr: Yes.

Hon. Mr. Timbrell: I am just thinking of my own house, having seen Carl Pepper's, and such a tank would be the total size of my furnace room; it would have to be built with masonry walls instead of the partitions that separate it from the recreation room, and would add significantly to the cost of the house—more, undoubtedly, than most of the other levies and requirements that we have on them now.

Mr. Burr: But that's an underground matter; the reservoir or heat sink, whatever you want to call it, is underground. I am thinking of the panels. Supposing you have a lot, the length of which is north and south; you can build a house that has a roof sloping towards the street—in other words, toward the south—or you can build a roof that is facing east and west. If you build a peaked roof that is facing east and west, it's not going to be much use if you want to put solar panels on it. But if you build one with a south-facing expanse of roof, then you can put solar panels on there if you want to. That's what I had in mind.

Hon. Mr. Timbrell: I think Dr. Higgin's point, though, was that probably is unnecessary, given the kind of technology we are looking at. My point was that whether you are talking about building the basement of an existing house in such a way that eventually—

Mr. Burr: No, I'm sorry—

Hon. Mr. Timbrell: —part of it can be turned into a reservoir, or whether you are talking about building even lower into the ground—with almost a foundation under the foundation that could eventually be turned into a reservoir—you are adding significant cost to housing at a time when we are trying to promote housing.

Mr. Burr: What I had in mind wouldn't add a cent to the cost. I'm talking about siting the house in such a way that you could take maximum advantage of a southern exposure. You say that in the future these are going to be packaged and put in the yard. But if you have been around the village of Riverside, which came up in the House today, where you have 12.8 units to an acre, you couldn't get a package in their backyards. These are postage-stamp lots. All they do is give the children a little safe place, like an enlarged playpen; that's about their sole purpose. Or if you want to sit out in the spring or fall and not have your neighbours look at you, that's how small the lots are. You couldn't put any kind of solar energy collector in one of those lots. Therefore, the only place to put it would be on the roof.

Hon. Mr. Timbrell: I don't know that that's necessarily so. My own house in North York is on land that is zoned for about 14 or 16 units to the acre—it's RM-2 and you could get a solar collector—

Mr. Burr: It's an individual house?

Hon. Mr. Timbrell: It's a semi-detached. But the point is that with the projects that are under way now and the kinds of things we know are in the works, that would seem to be the best route to go, with proper concern for land use now and for the initial cost of housing.

Ms. Gigantes: Mr. Chairman, with respect to the minister and the ministry, it seems to me that they're not addressing the essence of the questions which were asked by Mr. Burr and Mr. Reed. We already know very well that it's not as efficient to instal solar heating units for individual houses, and if we're going to contemplate it with the kind of systems that we have now we should be talking about collations of units of about 30; that's the most efficient way to do it now. It seems to me the point that each of them was trying to raise—

Hon. Mr. Timbrell: Excuse me, collations of units of 30 of what, of housing you mean?

Ms. Gigantes: Thirty units of housing, yes. The point that each was trying to raise is that there is a major marketing problem, and you refer to this but you don't refer to what that problem is and how we're going to try and solve it in Ontario. I suggest that if we wait we're going to have Philips Electronics come in and sell us the technology—I think Mr. Reed is correct—or the oil companies

from the States come in and sell us the technology.

The problem is that small entrepreneurs can't sell enough units right now at the price there is to be able to increase their manufacturing run to bring the price down, and the Japanese didn't develop their computers and develop their calculators in a market where they depended upon other people for the technology and the size of their runs. They owned their own industry and they developed it for their own purpose and their own export purposes. I think the point that Mr. Reed and Mr. Burr are trying to make is that unless we make an effort on our own to try and develop that market, which is going to take a lot of investment and of large sums of money, we were going to have foreign firms coming to us and taking advantage of worldwide runs to sell us that technology. I see no good reason for that and I think that's the point that these gentlemen are trying to make.

Hon. Mr. Timbrell: I don't think we're disagreeing at all. The ministry, working with the private sector, is doing what it can, first of all, to promote the interest in solar heating among the public, who are probably very sceptical about the potential for it.

Ms. Gigantes: If they're sceptical it's because they've been fed official reports for years which make them fed sceptical. They don't learn that from ESP.

Hon. Mr. Timbrell: I don't know which reports you're referring to but I'd like to see them. If the projections of cost are the kinds of things you're looking at you're not suggesting that we should mislead them and say, "Notwithstanding this, do it anyway." It's a matter of working with builders. For instance, the company that built Provident House is McClintock Homes. I know that as a result of his involvement with Provident House Mr. McClintock and his senior people have been travelling around North America looking at a variety of solar systems with the view in mind of trying to incorporate solar heating into more projects in the future. That's the kind of thing I mean. If we can get major builders expressing interest we can then, through Industry and Tourism and our own contacts with the private sector, say: "Look, here's a major builder who is interested. He realizes the potential, and we'll have to get on with the development of systems which will be more affordable than what is available now." It's not going to happen overnight. In some cases it's bound to involve the Ontario Development Corporation or one of its arms, EODC or NODC, to

get this under way and we're prepared to do that. We're very much in the initial stages of the development of solar heating on the continent, although at the same time when I came into this ministry about two years ago there were something like a dozen solar heated buildings in the country, houses and so forth, and now there are about 200.

Dr. Higgin: In Canada I very much doubt that there is a dozen now.

Hon. Mr. Timbrell: I understood that there were a couple of hundred in North America.

Dr. Higgin: In North America, yes.

Hon. Mr. Timbrell: Okay. It's going to be a long way off. It's probably going to take a lot of money. It's going to take a lot of arm-twisting. It's going to take a lot of convincing that, first of all, it is a viable alternative and that there is a market there.

Ms. Gigantes: Mr. Minister, it's a fact that most of the work that's been done in this area over the last few years has been done by private individuals using their own private funds. The point I am trying to make to you is that if we go on with the level of government interest that we have had, and it seems to me we are still getting in Ontario and in Canada, we are going to end up in five years from now buying package technologies from Philips or the American oil companies. I make that as a prediction. It is a wide open field. Why shouldn't we get into it?

Hon. Mr. Timbrell: If their systems are better then we will buy them.

Ms. Gigantes: Better than what? There is nothing, sure.

Hon. Mr. Timbrell: The point is development is under way. Consumers' Gas has work under way with what is known as the Solar-MEC unit. Philips is an international firm, but a good corporate citizen in this country. They have taken, in every country in which they are operating, a tremendous lead in the development of solar systems. What I have said to you is that we recognize that through investment bodies like the Ontario Development Corporation we may have to get involved to give the kind of support that will be necessary for Ontario companies to do more work. It is not just solar; it is any number of things in the alternate energy field.

Mr. Reed: I'm sorry, I didn't mean to interrupt. I do feel that there is a point here that has been made, and Evelyn has raised

it again. She referred to the scepticism of the public, and I think that scepticism was reinforced by the minister as late as last year, during last year's estimates when we talked about the feasibility of solar heat or a solar component in heating. I don't want to dwell on solar energy. It is a heck of a big field and we can go all around the map on it, but the point is this: If I remember your statement at that time, one of the criteria you used to judge the feasibility of solar heating was Provident House itself, and the \$50,000 expenditure. I may be wrong, and if I am wrong I apologize, but that was the indication that you gave—

Hon. Mr. Timbrell: I think what I was trying to do at the time, and I have looked back over my notes and Hansard at the time, what I was trying to say then, and I would have to say it now, is that solar heating is not a panacea. Some people try to portray it as one, and infer it is just going to change everything overnight. The projection I have seen is that if every new house from this point forward to the end of the century were solar heated it would drop the projection of demand for all forms of energy in the year 2000 by one per cent. One per cent of what? One per cent of total is a lot, but it is not a panacea. It is one of many things that have to be done.

Mr. Reed: I wonder why, every time we get into a discussion on this, we always avoid the obvious. The obvious is that here we are talking about hardware, talking about retrofitting, and talking about equipment, and while Dr. Higgin is here I would like to ask him what position his ministry is taking and what activity it is engaged in on the design of homes so that they become passive solar collectors in themselves? To me, that is the obvious road to go on. Certainly hardware is going to help us. It is going to be of some assistance. But we know that with the proper design of homes as a passive solar collector type we can reduce the energy demand in that home by, it has been estimated, up to two-thirds, without adding a nickel in terms of hardware. Have you been involved in this area?

Dr. Higgin: We have been working with the people—I met them in Winnipeg; I don't know whether you did—who are responsible for the Illinois Lo-Cal House from the University of Illinois. We have been in close contact with them, we got their design reports and so on, and one of our hopes is that we can, in next year's development, look at a passive solar system along the lines of

Lo-Cal House that was built in Illinois, adapted to the Canadian conditions. Really it is a super insulation job. It has south-facing windows with overhang and the use of movable insulation over the windows at night time. As you say you can reduce the energy requirements very considerably. So, indeed, one of our hopes is to look at one of these units next year with the Ontario Housing Corporation.

Mr. Reed: But as it stands at the present time you are still monitoring American developments?

[5:15]

Dr. Higgin: We don't have much else to monitor from the Canadian federal level I am afraid at this point in time. Most of the breakthroughs are being made right now in the United States, except I would like to point out we have a number of firsts here in Ontario, first not only in Canada but first in North America in that Provident House, regardless of its cost, was the first 100 per cent seasonal storage system demonstrated in North America. The Americans now are adopting this principle and they are taking it up because it has certain advantages for larger buildings.

The Aylmer project is a 30-unit senior citizens' apartment building and, again, that will be the largest totally solar heated residence in North America. The Newmarket court house, which is in the final design stages, will be the largest commercial building with solar heating in North America, so I think you have got to say that whereas you may think we are not spending enough, we are trying to put the money into areas where we can make progress.

We are in the forefront. We are not just tagging along behind the Americans and, in fact, a lot of the things we are doing here are being picked up by the Americans, including the ideas that we are putting forward.

The Canadian government to this point has emphasized single-family homes. It has no other programmes at all, and that is where the Ontario government has been different. Instead of trying to duplicate their efforts, which is concentrating on the single-family home, and we believe now will be getting to an adequate level of funding concerned with single-family homes, we are trying to put our efforts into different types of buildings, into the larger multiple units and into commercial units.

Mr. Burr: Mr. Chairman, would Dr. Higgin say then, for homes that are already built, the best thing that you can see at the moment is the type of A-frame that Mr. Symmes has constructed?

Dr. Higgin: There are a number of options. Certainly that is one.

Mr. Burr: The price given by Mr. Symmes was, I think, \$1,300 for the materials.

Dr. Higgin: They are commercially available. There are two companies, one in Winnipeg and one here in Mississauga, which are marketing that furnace. Their price is \$4,500 for a system the same size as Ric Symmes' and that is delivered to your lot. You then have to do a bit of work to get the duct work in the basement. You have to order a truckload of rocks to fill it up and do a bit of wiring. So there is a bit of work involved over and beyond the purchase price. That system will give you—I don't like these figures where they say it is going to give you so many per cent of your heating, because the unit really has a fixed output which is dependent only on the sunshine that is available in the air. It gives you about 20 million Btu of heat per year, which is about one-fifth of the average household requirement based on a 1,200 square foot house insulated to the new Ontario Building Code standards.

Mr. Burr: Mr. Symmes said that his eight-panel job, I think it was—

Dr. Higgin: It's 160 square feet.

Mr. Burr: —gave him about 50 per cent of his requirement.

Dr. Higgin: No. That is 50 per cent of the requirement for one wing of his house. It is 6,000 kilowatt hours. If you multiply that by 3.142, that comes out to very close to 20 million Btu. a year.

Mr. Burr: If he had two of those, would he get twice as much?

Dr. Higgin: Yes, if he had two of those he would get twice as much heat; not twice as much per cent, but twice as much gross heat, 40 million Btu. He has an oil system too.

Mr. Burr: If that A-frame apparatus were larger—I suppose it is about six feet, seven feet high—

Dr. Higgin: I think his modules are six feet, so it will be slightly over.

Mr. Burr: If it were twice as long, he would get twice as much heat?

Dr. Higgin: If you made the collector area twice as much and you increased the storage twice as much correspondingly, he would collect approximately twice as much heat. So you could then be getting close to 50 per cent requirement with one that was twice as much, yes.

Mr. Burr: Then for a do-it-yourselfer that is probably the easiest type to recommend?

Dr. Higgin: Yes. In fact when people come in we have copies of his report and I hand them out to many people interested in do-it-yourself projects who come in. We have some problems in that anyone who then starts to make money by going out and telling people to design these is likely to run into copyright and patent problems because the unit is basically a copy of a patented US design which is licensed to Canadian manufacturers for a \$12,000 licence fee. So if you are encouraging, and making money getting people to go and copy this design, very soon you would be into patent problems with the commercial companies which have paid \$12,000 for a Canadian franchise.

Hon. Mr. Timbrell: Were there other questions? If there are no further questions on solar heating we will go on. Mr. Burr raised the question of the conservation-related hydro rates. As he knows, several weeks ago I tabled in the Legislature the costing and pricing study which has taken a couple of years to produce.

Mr. Burr: Are they actually going to be implemented? Is this the formula you are going to use?

Hon. Mr. Timbrell: As I indicated at the time that I tabled it, this will be referred to the Energy Board early in the New Year for public hearings, probably starting on the first of May. I don't know whether it is you or Mr. Reed, I guess it was Mr. Reed, who suggested that he would prefer what is basically an inverted rate structure to what is presently the case, and this was examined by the study team headed up by Mr. Davidson.

Their conclusion was that the structure they are recommending, with a monthly, if you will, hook-up charge, a flat rate for all electricity consumed, was preferable for a number of reasons, not the least of them being the difficulty—it is inherent in an inverted rate structure as much as it is in a declining rate structure—the difficulty of

equitably determining the blocks. In other words do you have a rate for the first 100 kilowatt hours or the first 500 kilowatt hours; and in what proportions would you increase the rates of those blocks? There is as much a problem there as there is with the lifeline rate structure, as was discussed in the House, two weeks ago today I guess it was. They suggest that you can determine your costs, and thereby determine the price to be charged.

I am sure the Consumers' Association is going to take part in the hearings; the Association of Major Power Consumers in Ontario are going to take part in the hearings; I suspect the utilities, through the Ontario Municipal Electric Association are going to take part; perhaps other groups—I haven't heard from any others but there may well be other consumer groups or farmers' groups, for instance, which will want to take part in the hearings, so that everyone has the opportunity to bring forward whatever concerns they may have about the effect of the proposal on how their rates will be determined.

Mr. Burr: What you are really going to do, you are going to talk about it in hearings and so on for another year, perhaps, and then put something in. Why not put it in, put in some system that sounds reasonable, the most reasonable sounding one to you, now, and let it run for a year; and then let people say how it affects them, and discuss it and revise it if necessary? Why spend all this time? Everybody is just giving opinions, they are all speculating.

Hon. Mr. Timbrell: You are making a case for no public participation.

Mr. Burr: No, have your public participation afterwards.

Hon. Mr. Timbrell: Let the government make decisions and then after it has hit, let's see what kind of debris is lying around and—

Mr. Burr: You just announce that it will run for one year and then open it up for public review.

Hon. Mr. Timbrell: I don't think, given the fact, first of all Ontario Hydro has three quarters of a million direct retail customers; they have about 100 direct industrial customers; the 353 utilities have what—a couple of million customers, I guess? Decisions on home heating systems, decisions on capital investments in everything from the smallest corner grocery store to the largest industrial plant, will be based on the rate structure.

I don't think you could put it in for just one year. You are better, I think, to throw the report on the table, if you will, let everyone have their day in court before the Energy Board to express whatever concerns they have as to the effect of the proposal from the study team on their bills, whether we are talking about the average household or whether we are talking about the largest industry in the province.

You see the proposal as it stands, I guess for the average household, which would be about 750 kilowatt hours a month, means a reduction of—what?—nine per cent I guess it is if it were in place now. But for some industry it is much higher, it means much higher rates for some industry.

I think you are better to get all those things out on the table before you make the decision so that when you do make the decision it is for more than just a year, that in fact it is the system you are going to go with for decades to come; rather than constantly changing every year or so, which could be the result of just overnight arbitrarily imposing that system.

Mr. Burr: My question referred to the residential sector, if you remember. Why couldn't you get two or three municipalities to try the two or three most reasonable sounding schemes? Get them to try it for one year each and then see what kind of results you have.

Hon. Mr. Timbrell: Again, you could have the effect, just looking at this system, that you would be driving new industry away from some municipalities to others that would stay on the current system. There are some industries, depending on load conditions and demand, which will, if this proposal were put in place, actually pay more. So again I don't think you want to put any one municipality or any region of the province at a disadvantage to the rest.

Mr. Burr: I am just talking about the residential sector.

Hon. Mr. Timbrell: I don't think you can deal with just the residential sector, with all due respect. I think if you are going to be involved in proper rate-making then you have to deal with all end users, not just residential. It has to be commercial, industrial and residential.

Mr. Burr: But it is the housewife, we will say, or the man who pays the bill, whichever it is, who is going to react to this kind of increased rate structure. They are the people, all across the province, if each one of those

makes some conservation decisions—they are going to turn out all their lights; if they are not in the room they will turn the lights out—they are the ones who can save an awful lot of electricity.

Hon. Mr. Timbrell: At the present time, most of the decisions to conserve are being made, most of the effort, appears to be in the industrial sector and the institutional sector.

Mr. Burr: That's fine; now let's get at the residential.

Hon. Mr. Timbrell: But when you are talking about rate-making I don't think you can just separate one sector from the others. This is a costing and pricing study. It is a matter of determining costs and allocating those costs and thereby arriving at rates. I don't think you can reasonably take one sector in isolation and ignore the others. You may very well, in doing that in a municipality, just applying it to one sector, be allocating, with two different rate structures therefore, more than needs to be on the residential.

Or there is the possibility, as I mentioned, that you could, given the fact—whether it is Bradford or Kingston or Windsor or whatever—they are all looking for new industry, you could in fact put them at a disadvantage for a couple of years because of electricity rates. It is better that the whole structure be reviewed, that the whole structure be changed at the same time so that every part of the province is on an equal footing.

[5:30]

Mr. Reed: I just would like to add a couple of comments to this answer. First of all, at the outset of this discussion this afternoon we were lamenting the fact that people in general, really, perhaps weren't quite convinced of the situation and the challenges that we were facing regarding energy in the next few years. It is obvious to me that one of the ways you can bring that message home is by the way you sell and promote your product.

The other thing the minister referred to was the impact on industry. I can appreciate and understand that, but I would like to just enlarge on that a bit and remind the minister that he has, through the select committee report, made a commitment to industrial generation of power, to co-generation, and to the encouragement of it. We do know that in some European countries where co-generation is a practised entity it amounts—for instance in Germany I believe it is 29 per

cent of the total consumption of electricity, which is rather significant.

I would, therefore, point out to the minister that when it comes to this costing and pricing, when we are looking down the road a few years hence and we see the impact on industry of rate increases, the incentive will naturally increase for industry to give very serious consideration to their own generation of power.

Hon. Mr. Timbrell: We have that developing more and more. A good example, I would guess, is Dow in Sarnia with their total energy system.

Mr. Reed: Sure; Ontario Paper at Thorold is another, the garbage unit there.

Hon. Mr. Timbrell: It is Inco that is looking at the feasibility, from their point of view, of a hydraulic system.

Mr. Reed: Of course they have a big hydraulic system at the present time; they are looking towards expansion.

Hon. Mr. Timbrell: Yes, they are expanding even further because of their concern about rates.

But my point, Mr. Reed, is that when you are looking at changing the rate structure I really don't see how you can do it on a piecemeal basis. It should be done all at once, with every sector aware of what is going to happen to them.

Mr. Reed: I think the concern, with all due respect Mr. Minister, is in this case for the residential homeowner, for the person. The feeling here, pardon me if I tend to sound a little socialistic—

Mr. Burr: It's okay, go right ahead.

Mr. Reed: No intention meant.

Hon. Mr. Timbrell: Mr. Peterson is moving away from you.

Mr. Reed: But the fact is that there are people—

Mr. Makarchuk: We might have a defecation.

Mr. Reed: Not this afternoon.

There are people on fixed incomes, there are people who are really modest users of this resource, and yet at the present time they are being severely penalized because they pay a premium, probably, for the amount they use. When you average it out, they pay a much higher price per kilowatt

than, for instance somebody like myself who is out on a farm.

You have gone half way with your introduction or your suggestion of a flat rate system across the board; and that is very commendable because that starts to give that recognition. All I am suggesting, is that by reverse incentive pricing, or however you want, a progressive rate structure or whatever else, you are going to allow the householder the advantage of being able to consume a modest amount of this resource and not be penalized for that consumption. That is really all I—

Hon. Mr. Timbrell: But this is really inherent in the study which has been produced. As I mentioned, I think I am correct in my recollection of the figures, for the average household that uses about 750 kilowatt hours a month, if the proposed rate structure were in place now the cost of electricity would be about nine per cent less. The principle is if you are going to use more, and thereby increase Hydro's costs, then the costs are going to be passed on to you; if you are going to use less, or be reasonable, and thereby help Hydro hold the line, on their costs on generation, then the benefit will be passed on to you through the system.

The point of the hearings is there may well be other rate structures which groups around the province, for their own good reasons, think are preferable to what the study team has come up with and alternatives which the study team looked at and felt were not desirable, given the goals of the province. It is better to go through the public hearings. I don't think anybody should under-emphasize or minimize the importance of this study and the impact that a new rate structure is going to have on the province. It is better to do it all at once and not piecemeal.

Mr. Burr: Are there 350 municipalities?

Hon. Mr. Timbrell: There are 353 utilities.

Mr. Burr: Are you hoping or expecting to come up with a formula which every one of those will use?

Hon. Mr. Timbrell: Yes, a rate structure which would apply to all of the utilities.

Mr. Burr: Each one will use the same one—is that what you mean—for the residential sector?

Hon. Mr. Timbrell: I am prejudging the process. There are variations now depending on load factor and the voltage, delivery and

so forth. There may well be variations of that order in whatever rate structure falls under this in the next year and a half. I don't want to prejudge what the Energy Board will recommend. I believe, though, that built into the study—again it is a 10-volume study—are variations according to load factor and the voltage you take the electricity at.

Mr. Burr: My final word on it is this: There is not much incentive for the conservationist to go around turning out the lights because he is just turning them out at the rate of 1.7 cents per kilowatt. His bill is heavy at the beginning and he gets down to, say, 1.7; but if his bill went up as he used more there would be an incentive to turn off those lights.

Hon. Mr. Timbrell: That is not what is being proposed. I think you are talking about the same kind of rate structure as Mr. Reed is—

Mr. Burr: Yes, I am.

Hon. Mr. Timbrell: —the inverted rate structure which the study team, for their own good reasons which are set out in the report, recommends against. I don't know, for instance, what the Consumers' Association will want to take as a position; or the OMEA for that matter. They may very well want to push for an inverted rate structure and I think they should have the opportunity at the Energy Board to make their case, to find fault, if that is what they want to do, with the logic employed by the study team. At the end of the process, the Energy Board can make its recommendations to the government and to Hydro as to what will be the most appropriate new rate structure.

Mr. Peterson: Excuse me—maybe I missed this—why is it taking so long to implement that? Why is it 1979?

Hon. Mr. Timbrell: We anticipated that we wouldn't get a report until late 1977.

Mr. Peterson: A report from—

Hon. Mr. Timbrell: The Energy Board.

Mr. Peterson: They really don't have jurisdiction.

Hon. Mr. Timbrell: Who doesn't have jurisdiction?

Mr. Peterson: The Energy Board doesn't have jurisdiction over Hydro rates.

Hon. Mr. Timbrell: The Energy Board has jurisdiction to review any matter the minister refers to it.

Mr. Peterson: Right, so my question is obviously why you referred it to them.

Hon. Mr. Timbrell: Because it is the forum for public participation in energy policy-making. As you know, they presently have two main activities. One is the annual review of Ontario Hydro rates and the ongoing regulation of the natural gas companies in the province.

There is also another section of the Act, I have forgotten the number, which indicates they will review and report to the minister on any energy-related matter which the minister wishes to refer to them. For instance, in 1973-74 there was the hearing on the Hydro system expansion programme. The board held public hearings on the question of rate base investments in energy projects. The provisions of the Act are general enough that the minister can refer any energy-related matter to the Energy Board.

Mr. Peterson: For study, really. I am just trying to be constructive, because you went through a very elaborate rate study, through a combination of your people and Hydro, right?

Hon. Mr. Timbrell: The study was Hydro. This was a team appointed in late 1974.

Mr. Peterson: You people weren't involved in this?

Hon. Mr. Timbrell: Our people did not—we were aware of the progress being made on it but we did not write the report.

Mr. Peterson: I'm just wondering about a great duplication of effort and maybe you can help me out. The Energy Board has the absolute jurisdiction in gas pricing. It's the only one. It's really got a funny set of authority. If it had jurisdiction over Hydro rates I can see more merit in waiting a year. I'm putting it in this context so maybe you can help me out. This is a great length of time to implement this study. I think 1979 is a hell of a long time to wait.

Hon. Mr. Timbrell: The public has only seen it in the last couple of weeks. We're not going to start the hearings until the spring to allow groups like the Consumers' Association, OMEA and AMPCO and others who are interested the time to go through it—as you know, it's a 10-volume study; it's

not what you'd call your average bedtime light reading—and to give them the opportunity to put forward their objections, questions, alternatives, whatever, and out of that, to get the recommendations of the Energy Board.

Ultimately, it may well come down to the government directing Hydro. Again, I'm not trying to prejudge the situation but it could well be that what the Energy Board might recommend Hydro might not like but the government might. If that were the case the government would direct Hydro to adopt the recommendations.

It's important, given the breadth of the report and given the impact it's going to have on every class of consumer within the province, that we go through this public participation at the Energy Board.

Mr. Peterson: And you feel that will take until 1979?

Hon. Mr. Timbrell: What I was trying to say before was that we are anticipating it will be late 1977 before we have the report of the Energy Board, by which time the Energy Board will have reviewed the rates for 1978. That reference will go to the board in early June.

As you know, under the Act, Hydro must file its rate application by the end of May, then it's referred to the board so there will be concurrent hearings—one on the 1978 rates and another on the costing and pricing. The earliest the rates could start to be put in place would be the 1979 year. In other words, two years.

Mr. Peterson: If you would allow me the luxury of an editorial comment. As you know, in our party, Mr. Reed and I, and lots of other people have talked about this inverted rate structure which we believe in. We think it's one of the answers to the very complex problem you're dealing with on a daily basis.

I would suggest to you, from my reading of the thing, that the average consumer is quite prepared to deal with that kind of situation. I think everybody understands the increase in the costs. I think they want to see it on a more ratable basis. I think it will achieve a great number of goals or help toward the educational process which is a major part of the very difficult job you're involved in.

I personally think the time is ripe for it and I also think, I say respectfully, that if I were the Minister of Energy, I would try very hard to accelerate the process you're involved in. My own opinion is that 1979

is a long way away and I would like to see it sooner than that, I really would. We'll continue to argue that way.

Hon. Mr. Timbrell: That is fine. With respect, I think what you're proposing would inevitably cut off the right to be heard of a lot of people in the province. I don't know whether you've read all 10 volumes yet; I'd be surprised.

Mr. Peterson: No, I haven't; have you?

Hon. Mr. Timbrell: No, that's why I say I'd be surprised.

Mr. Peterson: You couldn't expect anybody to read that. You've got to put it out in a merchandisable understandable form.

Hon. Mr. Timbrell: That's why there is the blue volume, the summary volume, which is the one most people will turn to. The other 10 volumes are available. We're sending one to each of the caucuses and they'll be available for sale to the individuals or groups that want to pay the price, which is \$40-some to cover the cost of printing them.

[5:45]

When you were out of the room we discussed briefly some of the problems which had been identified with an inverted rate structure not the least being the arbitrary decisions which have to be taken in determining what blocks you use and the prices, the costs per kilowatt hour in each of the blocks which you assess.

I am not trying to make a case for what the study team has recommended but their point is that the present declining block rate structure served the consumers of this province very well in years gone by but that as more and more of the system is made up of thermal generation, it is no longer beneficial to the consumer. Likewise, I believe they make the argument that an inverted rate structure is equally unserving to the consumer as the structure which they are proposing, which involves time and peak load pricing and so forth, for industry. In the case of the residential consumer, a monthly hook-up charge and a flat rate per kilowatt hour consumed is the fairest system in allocating costs and determining price.

Mr. Peterson: The alternative you proposed—with respect, I know you proposed it but I think you have to provide the opportunity; maybe your party will do it at the Energy Board or somebody will do it—to put forward that proposal and lay on the table the effect of that on the average residential consumer;

and the effect of that on the industrial consumer, just as the study team has done in its report in advocating the system which it has. Your figures have not been made public—I have never seen them—as to the effect and I think, before the government has to make the final decision about a year or 15 or 18 months down the road, we must have all this aired publicly.

Let me tell you that in fairness we will probably never have those figures for you because we don't have the resources or the computers or all the myriad assistance one needs to embark on a study like that. I am sure you respect the difficulty of our position in proposing a definitive alternative. We will probably never get it.

Hon. Mr. Timbrell: Then you will understand why I don't want to make people buy a pig in a poke.

Mr. Peterson: I am trying to be helpful because my assessment is that the average consumer would very much understand the philosophy of the more you use the more you pay. I think it is right. I must say if I was directing it, those would be the premises I would probably start from. If it didn't wash then I would have to take a different view maybe, but I say that politically the climate is right for that. I would recommend that as the minister you start looking at that kind of an approach.

Hon. Mr. Timbrell: I recognize very well that the climate or the mood is perhaps ready for a change. The point, again, is to bring into place a system which not only seems to be fair—if you gave it to the average person who really doesn't know anything about rate-making, it would seem to be fair—but more than that, it has to be fair. Four or five years into the system, after all kinds of decisions in terms of home heating or appliances or capital investments in industry have been made, it will be seen to be fair even then. I understand you have taken this position from the beginning but, with respect, to do that without giving the opportunity to any interested individual or group to have their kick at the cat, would be making the people really buy a pig in a poke.

Mr. Burr: What was your objection to allowing one or two municipalities to experiment with a rate?

Hon. Mr. Timbrell: As I understood what you were suggesting, Mr. Burr, you were suggesting first of all it should be just residential and not commercial or industrial and the point is, how many systems do you want

them to experiment with? Do you want them to go with an inverted rate structure for single families? Do you want them to have an inverted rate structure for multiple families as well as single families? Do you want them to use mandatory load management ripple meters in the municipality as well as this? I think if you pursued that you would be more into than one or two municipalities and you would have tremendous inequities in rates around the province in the process. I think we know enough about the demand in the province, through the records of Hydro and the utilities, to be able, in public hearings, to apply the effects of various rate structures to those demand curves and be able to plot out and display the effect on the prices being paid.

The other thing is I have an abhorrence for doing things in a piecemeal manner. I think we have to be sure that the rate structure that falls out of this whole process will apply to the whole province and not have different ones set up all over the place.

Mr. Burr: Yes, but you say this isn't going to happen for two years. Why couldn't you have somebody experiment for one year?

Hon. Mr. Timbrell: Because for one thing, I don't think a one-year experiment would prove anything. You would have to have it for more than one year, by which time—

Mr. Burr: It covers all four seasons.

Hon. Mr. Timbrell: Well, we have seen over the last couple of years, or for that matter, if you look at demand curve for Hydro for the last 70 years, you get wild fluctuations due to depressions, wars, mild winters, heavy strikes. I found out last week in the House, for instance, that demand in September was 10 per cent higher than it was in September of 1975, for a couple of reasons. Number one, it was a colder September. Number two, we had all the paper companies on strike in September, 1975.

Mr. Burr: I don't think you could really tell much in just one year. You would have lots of people to go and lots of people to judge by.

Hon. Mr. Timbrell: I think you would have lots of people inconvenienced. I think you would have a very incomplete data base after a year or two, during which time the whole report, the various alternatives, can and will be aired at the Energy Board and reviewed by the board and their recommendations and decisions taken before such experiments could even tell you anything. We

have enough of a data base on patterns of consumption to be able to apply this alternative that the study team has come forward with and other alternatives, as may come forward from individual groups, to let the board, the government and Hydro, make rational and reasonable decisions.

There was one last question that was raised by Mr. Burr and that is the question of waste heat. As he may recall, we did, in the spring of this year—I guess it was April—make public the research which we had commissioned on the potential for district heating.

In my statement in the House of October 29 or thereabouts on the enlarged energy management programme, I indicated that this is being pursued between our ministry and the Ministry of Housing in connection with the Ministry of the Environment and the Ministry of Tourism in terms of the marketing of district heating concepts, in terms of the potential for North Pickering and for Townsend and also the new townsite at Elliot Lake. So we recognize that there is potential there.

Again, I indicated in March or April one of the obvious problems that we have to overcome, and come up with some answers for, is the very heavy front-end capital cost when we are talking about district heating in these various locations.

Mr. Burr: Well, that is a good answer but it doesn't match the question I asked. The question I asked was when you have the off-peak load, where do you shut down? Do you shut down on the free-water energy?

Hon. Mr. Timbrell: No.

Mr. Burr: Or do you shut down on the oil and the gas?

Hon. Mr. Timbrell: We shut down on the fossil fuel.

Mr. Burr: You do?

Hon. Mr. Timbrell: Yes, for instance, J. Clark Keith was a peaking station.

Mr. Burr: That was the original purpose, yes. It seems to me that as it developed, it took you a few hours to shut down the Clark Keith, whereas you could shut off a hydraulic station.

Hon. Mr. Timbrell: But there is no advantage to that. The cost in terms of mills per kilowatt hour is so much lower at Niagara or Saunders, as compared to Hearn or Lennox or Nanticoke.

Basically, the idea is, first of all, you have got the portion of your electricity which is purchased, which is about three per cent I guess in a given year—about three per cent of the electricity consumed in the province—we purchase from Manitoba and Quebec. That's running all the time. Then we have our hydraulic sites, they're running all the time. The nuclear, and they are phased in and phased out basically on the basis of the cost in mills per kilowatt hour; you run your least expensive all the time, and kick them in, if you will, on the basis of cost per kilowatt hour, and you kick them out as demand goes down too, in the reverse order.

Mr. Burr: You know how much is being demanded right on the hour and you project what is going to be demanded five minutes past the hour, and 10 minutes past? Have you a computer that does that kind of work?

Hon. Mr. Timbrell: Maybe Mr. Frame can comment on more of the intricate details, but I would be glad to arrange this some time if you want to go to the Richview transfer station where they do control this.

Mr. Frame: The Richview control station is the key operation for the province, and Hydro does a daily load forecast of what they expect the load to be for each day of the week. It's adjusted for weather, as they see the weather forecast coming; adjusted upon their past experience from previous years for the season of the year; adjusted for the current industrial activity and on that they would phase in strikes and other things they know about; and, of course, it's adjusted for the daylight hours.

So Hydro has a schedule of generation units to be placed in service over the 24-hour period, and this is in the control of the chief-operator at Richview station. He is calling in this generation from points around the province, on the provincial grid, on a schedule which is set out by computer to bring in and have the most efficient units in service as much of the time as possible, and have the least efficient or high cost units in as little time as possible. The purpose of the chief operator at the Richview control station is to oversee this operation.

Mr. Burr: That's fine. That's reassuring. The reason I wondered about it was that I was down at Niagara Falls once many years ago and took a tour around one of the generating stations and the guide was asked, "Why isn't this turbine running?" The guide said, "That's a political question. I can't answer it." I just wondered.

Hon. Mr. Timbrell: I don't know, but it may have something to do with the international agreement on the water flow.

Mr. Burr: Why couldn't he have answered it?

Hon. Mr. Timbrell: Maybe because he didn't know anything about it. That's the only thing I could imagine that would affect it.

Mr. Frame: On international rivers, such as the Niagara, there's a share of the water, and Ontario Hydro is only allowed to take a certain volume of water coming down the river for the units on the Canadian side, and it may have had something to do with that.

Hon. Mr. Timbrell: If it was a low water year, or something like that, it could have affected it.

Mr. Frame: On other rivers, in northern Ontario, water can be stored in the forebay and some smaller hydraulic units are peaking stations, where they would run only eight hours a day for the peak period—or maybe even four hours a day on smaller units. The operation is very tightly controlled and I think if any members of the Legislature wanted to go to Richview to have the operation explained, I think you would be impressed at the number of factors and things that are involved in the total operation.

Mr. Burr: I am glad to hear it. The answer that I got has always annoyed me. It gave politics a bad name.

Hon. Mr. Timbrell: If you can dig into your records and find the year, we will find out if it was a low water year. That is the only reason I can imagine they wouldn't be running it. Given the water conditions, Ontario Hydro was taking the maximum and it wasn't enough to run the whole station.

I have a number of other points, Mr. Chairman, to respond to. What time tomorrow do we start? Three is it?

Mr. Chairman: Yes, I will leave the chair, and we will start again after the question period.

Mr. Peterson: Before we adjourn, Mr. Chairman, I wonder if we could have the minister's official position on the Quebec election?

Hon. Mr. Timbrell: You can if you wait 24 hours. You tell me yours, I'll tell you mine.

The committee adjourned at 5:58 p.m.

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SUPPLY COMMITTEE—2

ESTIMATES, PROVINCIAL
SECRETARIAT FOR JUSTICE

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Monday, November 15, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

MONDAY, NOVEMBER 15, 1976

The committee met at 3:15 p.m.

ESTIMATES, PROVINCIAL SECRETARIAT FOR JUSTICE

(continued)

Mr. Chairman: I see a quorum, ladies and gentlemen. The list I have is Mr. Stong then Gill Sandeman.

On vote 1101, justice policy programme:

Mr. Stong: Mr. Chairman, through you to the minister. Prior to last Wednesday, when you gave us this material, I had a few questions to ask, but they have been appreciably cut down with the receipt of that material. However, there are three areas of concern. My difficulty here is not unlike Mr. Breaugh's on the last day when he was wondering exactly what the role of this ministry and this minister is. He called him a superminister, and I have three areas of concern, and perhaps the role could be explored a little bit.

The first is an area of concern of the native people. In the material I read that group homes have been established and delinquency prevention projects have been undertaken, and I wonder if the minister could enlighten us with respect to the native people, because I have a lot of questions on crime prevention later on, but more specifically, with respect to native people, what is happening in the areas of group homes and delinquency prevention?

Hon. Mr. MacBeth: Mr. Chairman, I'm glad to know that some of the information that has been supplied has been of help to the members of the committee. It's questionable at what point we should hand that information out. If we hand it out too far in advance of our estimates coming up it has a tendency of getting lost or mislaid, and of course there is always the uncertainty as to just when the estimates will come up.

You have asked about the group homes with the native people. As you know, they are located in Thunder Bay, in Dryden, Fort Frances, London, Moonbeam, of all places,

and Sudbury. They are operated as much as possible by native staff. They are wards of the training school systems. The hope is, of course, to keep them close to their own communities, so that they will not be moved from the north down to places where friends and relatives can't see them, so they have them in these smaller northern communities. I understand they are working pretty well, but I would ask Mr. Sinclair to give you an enlargement as to anything further he might be able to tell us of how they are operating.

Mr. Sinclair: I don't think so, sir. I think the Ministry of Correctional Services may have much more up-to-date information than mine. This document that is in here is a collection, as you will see, of the work being done by various ministries that falls under the purview of this joint committee. In terms of detail I have no more to provide you with than what is stated in here and what the minister has said. The only other thing I think I can add is on the question of the delinquency prevention projects. There are some listed in there, and there is one also in Thunder Bay, again being partially financed by the Ministry of Correctional Services, and one on the Shoal Lake reservation, which is also partly supported by the Ministry of Correctional Services.

Mr. Stong: Perhaps I am deceived by the heading, "justice policy", but what role would your ministry play in the establishment of group homes, keeping in mind the report in your material here on co-ordinating the response to the federal report of young persons in conflict with the law? What role would your ministry play with respect to setting a policy of victim meets offender and settling the matter out of court, particularly in the juvenile area?

Hon. Mr. MacBeth: Again, Mr. Chairman, speaking in a general way, when the policy field has a matter that has a great deal of overlapping, such as young people in conflict with the law would have, where it would affect at least three of the ministries in the policy field, would arrange for the problem to

be reported on by each of the ministries involved. The material would then come into Mr. Sinclair, the deputy. He would file it and put it together in a paper, then the justice policy field would discuss it in a general way.

You asked about the training schools particularly. After we have discussed it and decided it is a good idea, we should establish something in the north for the young native people. We would agree to do that, but then the actual carrying out of that would be subsequently approved by cabinet and the actual work would be done by the ministry concerned, in this case, Correctional Services. So I wouldn't know the number of people involved, nor the number of people either on staff nor the number of young people who were benefiting or receiving the services in that regard.

This is one of the difficulties in discussing the justice policy field. We can talk to you in general terms but we have problems in saying what a specific ministry might be doing in regard to it. Our responsibility is just that, policy, and when we get past the recommendation of a policy in these things to the cabinet, then the actual carrying out of it has to do with the individual ministries.

Mr. Stong: Yes, I understand that. What is your ministry's attitude toward setting up group homes or community services for young offenders as opposed to the use of the training school?

Hon. Mr. MacBeth: If you are asking what the justice policy field attitude is, of course, I don't know whether you are talking about sections 8 and 9, but certainly we want it repealed and proclaimed as soon as we have other facilities to look after these young people.

Mr. Stong: You are talking about section 8?

Hon. Mr. MacBeth: Yes.

Mr. Stong: What is the justice policy committee doing with respect to establishing the alternatives in the community?

Hon. Mr. MacBeth: We have had a good number of discussions, and this overlaps not only the justice policy field but the social policy field as well, as to just what can be done, getting a bit into the social policy field. The problem is, when we have discussed it in general terms, what alternate accommodation are you going to provide? Are you going to provide the same kind of buildings under a different name? Are you talking about the part the Children's Aid Societies may play? Yes, I think they would like to

get involved in it, but again, they are talking about homes that would have some kind of confinement areas in them as well.

I don't know whether, by simply changing the name on the building and running it under a different ministry, you are going to have very much different services involved. If we are going to get into similar facilities as they have in training homes, then what is the purpose of it all? I think the idea is to get away from the large homes and to get away from areas that require some confinement. As Mr. Sinclair, who's had some experience in this, will tell you, there will probably always be a small number of children who do require some confinement, and therefore there will probably continue to be a place for Correctional Services in regard to it.

When you ask what we have done, we've had a good number of discussions and the recommendation, of course, is to establish these other homes as quickly and as feasibly as financial limitations will allow you to do.

Mr. Stong: You're talking about the group home now?

Hon. Mr. MacBeth: Yes.

Mr. Stong: How do you propose to have the group home operated? For instance, would it be a husband and wife team, would it be a group of your own staff on a 24-hour-basis type of thing, or a mixture?

Hon. Mr. MacBeth: I'm getting a little confused here. Are you talking about the group homes where they have been sent there as some sort of punishment, or what kind are you talking about?

Mr. Stong: I imagine you can't confine it to one or the other. There are children who have to be, as you say, sent to a training school. But those children that don't have to be confined in a training school can presumably be best served in a group home.

Hon. Mr. MacBeth: Yes. Then presumably some of those would not be operated by Correctional Services. So you're getting out of the policy field, not only out of Correctional Services, but into a policy field in which I wouldn't have, other than as a member of cabinet, very much direct concern over—I shouldn't say concern—but dealings with.

Mr. Stong: That's what I'd like to find out, your particular policy and the policy of this ministry with respect to those children, the greater number, as you've indicated, who would not have to go to a training school but who could be sent to a group home,

for instance. What is your policy and what is your ministry's attitude toward the group home? How should it be set up? Who should run it? How it should function?

Hon. Mr. MacBeth: Mr. Sinclair, if you can give me some help there. As I say, it wouldn't be via our policy field at all.

Mr. Sinclair: If it would help to clarify it, sir, it goes back about almost five years now, perhaps a little more than five—and I speak of this because I was in Correctional Services at that time—when a decision was made to promote the establishment of group homes as an alternative to training schools. That decision was made as a result of surveys done at that time which tended to indicate that there were many children in the training school setting who really could be housed elsewhere, were other facilities available, which at that time they were not.

We started off, I think, in the first year establishing 12 and I think there are something like 35 group homes now. Most of them handle between eight and 12 children. I think in every case they are operated by or under the aegis of a private agency of some kind. In some cases it is a husband and wife arrangement—I think in most cases it is. In some cases it may be a single person with additional staff to help him.

I think everyone in Correctional Services would support the fact, as the policy field did, that if children can be housed outside the institutional setting and in a setting that is much more like their home, then all the better. Clearly, I think it's better from many points of view that the homes are operated by private agencies rather than by the government, not the least of which is the economic one.

Also, I think it's fair to say Correctional Services will be the last people to believe that every child who comes before the court can be handled in that kind of home setting. Other jurisdictions have tried to totally abolish training schools, but, with no exception that I know of, after having made that decision they have now tentatively moved back to exploring what they can do to put back the thing as it was. Sometimes this involves no more than a change of name, which is pure cosmetics. The actual setting is very little different from what they had before. I think this is true of Massachusetts, I think it's true now of BC, and it's true of Illinois, just to mention three where the idea has been acted upon, that training schools be abolished in their entirety.

I think over the years we've had far too many training schools, but I doubt whether we'll ever get to the point where we can just abolish all of them.

[3:30]

Mr. Stong: Just to take that one step further, in reading our material here, I was interested in what you had to say with respect to the proposal placing emphasis on safeguarding the rights of young persons being heavily weighted toward the community, and this proposal about a screening agency. To remove persons from the justice system as proposed in the federal legislation, what is this ministry doing with respect to this screening agency, and dealing with the children in that respect?

Mr. Sinclair: There is no formal screening agency at present. This is a proposal that was put forward by the federal government that such an agency be established. That proposal has not been warmly accepted anywhere across this country, partly, I think, because people are fearful that if such an agency is established—and it's established clearly with the best of intent here—that the police may decide that in future they don't do any screening, there's no need, there's an agency set up, so they just trek all children into the agency. I think this would be a great shame, because there's a great deal of informal screening taking place now by the police, and I think to remove that responsibility from the police would be to weaken their hand, and I think would not be in the youngster's interest in the long run.

Apart from that, in regard to the details of the screening agency, if you read the report I think you will understand why many questions were asked about it, not only in principle, but in the way in which it was to be structured and operated.

Mr. Stong: Well, I'm thinking in terms not necessarily of a juvenile, but of anyone, say, under the age of 18. There was an experiment—I believe it was in Scarborough, and maybe it's still going on—where the victim would meet the offender and the matter was tried to be brought to some kind of solution outside the court system so that the rigours of going through court, the eventuality of maybe receiving a criminal record, could be eliminated. The object was to try to reach a solution that was satisfactory to all concerned. What is the ministry's attitude toward a programme such as that?

Mr. Sinclair: First of all, I think all of us would be in favour of any form of alternative disposition to incarceration if that is possible, and if the circumstances warrant it. One of those alternatives, namely restitution, is one that we would support.

This may have come up during the Ministry of Correctional Services estimates, but there is one restitution project which was initiated last year in the city of Ottawa, on which Correctional Services will be able to provide you with details as to how it operates and the measure of its success. But there the arrangement is not quite as you indicated, that is, that you attempt to have the offender make restitution to the victim prior to a trial. This is very difficult, as you can imagine.

What happens in that case is that a sentence is handed down, which may be, for example, a sentence of one year imprisonment for an offence or series of offences, and subsequent to the handing down of that disposition, the judge, the probation officer, the victim, and the offender all meet to see if they can work out some system whereby, while the man is in prison, he is given temporary absence, or located in another institution than a prison, work is found for him, and out of his earnings he is to make restitution to the victim of a pre-determined amount, which would be paid off in much less than the sentence that was awarded to him. When this occurs, there's an agreement with the national parole board that at that point parole is given to the man and he is released from custody, and he has made a payment to the victim.

The advantage of the scheme, apart from finance, the reduction of hardships for people being institutionalized and so on—the biggest advantage seems to be in sitting the offender and the victim down together with the court, with the judge, to work out these details because I think each gets a better appreciation of the other's viewpoint. Certainly, I would imagine that the victim is much more satisfied with that recompense than whatever satisfaction may accrue from merely knowing that whoever wronged you is spending time in prison.

Mr. Stong: As I understand the situation as you've described it, this takes place after a trial.

Mr. Sinclair: Yes.

Mr. Stong: I understood there was a programme being proposed by the youth bureau of the Metropolitan Toronto police with res-

pect to this happening before trial so that the victim and the offender get together on minor offences like shoplifting.

Mr. Sinclair: Well, that is done now.

Mr. Stong: Right. That's what I'm questioning you on.

Mr. Sinclair: But it's not always easy.

Mr. Stong: No. What's the attitude of the ministry, having now seen that experiment work, and trying to further it throughout Ontario?

Mr. Sinclair: I'd rather not use the term "that experiment" because this is going on all the time depending upon the bench's approach to this kind of concept. It's happening informally in lots of cases. It's happening certainly in the juvenile field, where informal arrangements are made by which young people can recompense the victim. I would find it very hard to believe that anyone did not agree that that is a better resolution of the problem than merely committing young people to training school or sending older people to jail, again considering the nature of the offence that occurred and the circumstances surrounding it.

Mr. Stong: This programme has not been limited only to juvenile delinquency though, I understand. Is my understanding correct there?

Mr. Sinclair: It's not a programme, sir.

Mr. Stong: All right.

Mr. Sinclair: No, there are many instances where an informal resolution of a situation like this is worked out.

Mr. Stong: Yes. As I understand the working of this thing, be it a programme or be it just an attitude in a given area, at least the victim and the offender, even when they're over 16, have been called together and had something worked out, but in your answer you indicated that it depends on the judge in a given area. Has a policy gone out to the judges in the different areas saying this would be acceptable to the justice policy ministry or the Ministry of the Solicitor General?

Mr. Sinclair: No, I think it's fair to say that the one programme which relates to post-trial is the Ottawa programme.

Mr. Stong: Yes.

Mr. Sinclair: That was initiated 10 months ago, I think—11 months maybe—and it was

felt that it would be unwise to try to encourage everybody to undertake that kind of programme without first finding out whether in fact the results of that programme were worthwhile. Eleven months isn't a very long time, but I would think that perhaps within the next two or three months Correctional Services will be in a position to say so many people have gone through the system; this has worked with so many, it hasn't worked with so many, and on the basis of their monitoring of that project, then be able to determine whether in fact that is the kind of programme which should be promoted across the province.

In principle or in theory the concept is one that the policy field agrees with but the actual results of some of these programmes in the correctional field or crime prevention field are not always as hopeful as we would wish for.

Mr. Stong: That experiment or programme, or whatever it is, in Ottawa is post-trial?

Mr. Sinclair: Yes, sir.

Mr. Stong: All right, now I'm talking about—

Mr. Chairman: The East York project?

Mr. Stong: That's the one I'm referring to.

Mr. Sinclair: Oh, I see. You're referring to the East York one?

Mr. Stong: Yes, and that's pre-trial.

Mr. Sinclair: Yes. That goes back a few years now.

Mr. Stong: Yes. It doesn't seem to be general throughout the province of Ontario, or even York county as far as that goes, about this attitude of getting the victim and offender together to try—on minor offences—to solve the matter without the need of a criminal record or a long protracted trial. I'm asking about your policy in that regard throughout Ontario and perhaps any directive to Crown attorneys, to judges saying try to get them together when the situation merits it.

Mr. Sinclair: I think it's more a question—in that case—of the police attitudes than the court attitudes. I don't think anyone within the policy field would wish to dictate to individual police forces across the province as to how they should handle people. The East York project was well-documented, well-written-up and, I hope well-read. How much it has been picked up, I think, is a question for individual police forces.

Mr. Stong: What is the ministry doing to make other police forces, particularly regional police forces, aware of the results of that and asking them to implement it in the right circumstances? That's my whole inquiry.

Hon. Mr. MacBeth: I don't think we've given any instructions along the line of implementing it. Again, as I say, the way the policy field would function is to discuss that report and then say, "All right, we think that instructions should go forward." We then take that recommendation to cabinet, discuss it in cabinet and it would come back to the individual field again, in this case the Solicitor General since it's a police matter, to say, "All right, police, in future handle it this way."

This report, Mr. Sinclair, is maybe something we should have before us again. I don't recall that one coming in the year I have been there. Maybe it's a good suggestion that we have it back to look at it in view of some of the experiments which have taken place.

We do have a little concern with The Summary Convictions Act in this regard. I think the Attorney General (Mr. McMurtry) has some concern that some of these alternative penalties which judges may impose really don't have all the sanctions of law or support of the actual law that they require. He is concerned that without the support of law they may be upset on appeal or, if the person who has agreed to go through this programme suddenly becomes dissatisfied with it, it can be upset. We are looking at some possible changes in The Summary Convictions Act to give some of these alternative penalties the sanction of law.

Mr. Stong: That's good. I was inquiring about that and if it was brought back and reviewed, it would be in keeping with the policy of decentralization. The Crown could try to make the system more personal and this would be, in my respectful submission to the ministry, in keeping with that entire attitude.

There was one other—

Hon. Mr. MacBeth: Let me say this: We certainly want to move in that direction, the direction you have been talking about in general, mostly with young offenders and even with some of the senior offenders. The wheels of justice still move relatively slowly as far as change is concerned. You have the judges to deal with. You have the Crown attorneys throughout the province to deal with as well as the police. We are at one with you on the suggestions you have made as to

the directions in which we should be travelling. We would like to proceed in that way and are bending our efforts, maybe not as strongly as we should, to accomplish what you're suggesting we should accomplish.

Mr. Stong: If I may go in a little different direction now. Last Wednesday when we were here I believe Mr. Sinclair indicated that the greatest preponderance of cases before the court was exhibitionism?

Mr. Sinclair: No, sir.

Mr. Stong: I'm sorry.

Hon. Mr. MacBeth: No, that it was a much more serious common offence than a lot of people realized.

Mr. Sinclair: I think I stated that if one really looked at statistics of occurrences, you would find that there'd be X under exhibitionism—shoplifting was another for which there'd be X number of offences—but in point of fact there are many more than are reported in those two instances, in the case of shoplifting and in the case of exhibitionism.

Mr. Stong: What was the point you brought exhibitionism up in relation to? I thought, from the way you quoted it, that it seemed to be almost overwhelming or right out of line.

Mr. Sinclair: No. I said it's much more prevalent than cold statistics would indicate and the same is true for shoplifting, for different reasons, of course.

Mr. Chairman: You did a pamphlet on it?

Mr. Sinclair: Yes. There'll be one on each of those topics coming out shortly, sir.

Mr. Stong: I was not surprised at your statement because, to give you an example, I had four cases of arson in my short career at the bar and in each one of those four cases the offender was under 18 years of age. Two of them dealt with setting fire to schools; one was setting fire in the backyard of a home and the other one was in a utility closet in an apartment building.

Quite a bit of damage was done in both of them—all four of them actually—and in preparing for sentence we obtained presentence reports and psychiatric assessments. Each one of those psychiatric assessments came to the same conclusion—that in each of these four cases the offender did it for some kind of sexual gratification. That's hard to believe with arson but in each case it was for sexual gratification.

[3:45]

That brings me to the point of your crime prevention policy. In your documentation you seem to zero in on the prevention of crime with respect to making it more difficult to obtain access to or egress from a building. For instance, you talk about making burglary more difficult by using bolt locks. Your entire crime prevention plan seems to be toward the discouragement of criminal activity.

You deal with theft. You also go on to say that there should be architectural planning, urban design, control of traffic flows, landscaping, target hardening and citizen participation. It seems to be geared toward making crime more difficult to achieve, from what I read, as opposed to taking a step back from that and making crime detection part of your policy.

I brought this up in the estimates of the Ministry of Correctional Services, and I will make the same remarks here very briefly. As I understand it, in our juvenile institutions—these are statistics compiled in the United States but I understand they are equally applicable to Canada—90 per cent of those incarcerated in our juvenile institutions suffer from some specific learning disability. If it had been detected early enough in a child's career the right programme, the right designation, could have been applied to that child. It seems that if a child is suffering from a specific learning disability and it is not diagnosed early enough, that child becomes frustrated throughout his school career and drops out early.

These children are not subnormal. They have in some cases, a very high degree of intelligence. The question really becomes: If that is so for 90 per cent of the children in the United States—they did studies of this in three specific states and those studies are not that old; they are 1974-75—it would seem that we could perhaps counteract a lot of juvenile delinquency by meeting this situation earlier in our educational system.

There has to be an overlapping. There has to be an understanding of the problem through this ministry which overlaps into another ministry for some guidance. I don't know if those factors are true here. I meet a lot of flak on that but if it is true in the United States, it's hard to fathom that it would not be true here. What is the ministry's policy in that respect, detecting the causes and the sources of juvenile delinquency?

Hon. Mr. MacBeth: I'll turn to you again very shortly, Mr. Sinclair, but as we said

the other day we are working with the Ministry of Education to get a curriculum established for teaching matters of justice in the school system.

As far as finding the shortcomings of young people is concerned—that is, either their learning disabilities or the various problems they may have—I don't believe we have done very much on that. Again, we are probably relying on the Ministry of Education, the Ministry of Health and other social welfare people to pick those things out.

I am agreeing with what you are saying but I don't know what the justice ministries can do in that regard. In other words, sure the police go into the schools and we encourage them to go into the schools. They all do—or most forces do—have policemen there quite considerably. For the most part, I agree, they talk about safety but that's not the only thing they talk about in the schools. Certainly I don't think there is any room for Correctional Services in our schools. I would hope they wouldn't be going there.

As far as Consumer and Commercial Relations is concerned, that would be part of our educational programme with them. The Attorney General, of course, I don't think would have very much of a part to play. It's ministries outside the justice policy field apart from what the active participation of the police may do.

If you've got any suggestions on what we could do, apart from working with the Ministry of Education in trying to teach knowledge of how justice works in the province, which we are doing, I would like to hear your suggestions. Maybe you can enlarge, Mr. Sinclair, before we hear them.

Mr. Sinclair: To start with—there are a lot of points—I am not aware of the specific studies you make reference to, in 1974-75 and in three jurisdictions in the States. Given that that is the case, I think one of the difficulties we meet with here is the definition of the term you use, learning disability. If one uses that in the way in which it is used certainly within this province, I would totally disagree with the fact that 90 per cent of the children have learning disabilities. I would agree if one said that 90 per cent of the children suffer from some disadvantage, be it lack of parental interest, be it economic, be it some degree of disturbance, but that is not a learning disability.

Mr. Stong: That's right.

Mr. Sinclair: Certainly the children who come before the courts, as some around this

table well know, are children who have had problems for many years before they were identified. On the point you were making that the earlier one can identify these problems the more likelihood there is of helping the child, I could not agree with you more. As the minister has pointed out, I think, in fairness, that falls to the ministers within the social development field rather than to our own.

Where we can move in is not in that primary prevention area, unfortunately, because of our mandate but at a later level; that is, after the child has got into trouble. I can only repeat what I mentioned the other day. We believe that crime prevention is not something that is solely the responsibility or prerogative of police forces. I think it's everyone's problem.

This is why we have worked with the Ministry of Education to develop curriculum guidelines for the kind of course the minister has outlined. They say this material will be ready in January. This is why we are producing a booklet of the kind I indicated to you the other day.

To go back to your first point in regard to the question of the way in which design affects crime, there is no doubt about this. It's not something that is arguable. It has been proved well and truly that there are security precautions which can be taken by the individual householder. There is information available to architects and developers as to how to design a building so it's less likely to be burglarized. I agree with you that all these things happen much later in the game. If one can move in at the beginning, as soon as a child is identified as being a child with a problem, and help is provided then all the better. I can only say heartily "hear, hear" to that.

Mr. Stong: I must say that although this problem has not been studied in Canada, as I understand it—I will supply you with the paper on these three studies—

Mr. Sinclair: Thank you.

Mr. Stong: —for your own benefit—I referred to it extensively during the estimates of the Ministry of Correctional Services. I must say that it met with the same type of approach—"I am not solely responsible." I understand you are not solely responsible but it seems to me to be a sufficiently important area that the whole justice policy field should get together and prepare a study on this so that something can be done.

Mr. Sinclair: If I may say so, sir, with your permission, the policy field is so concerned about this that even without a mandate it has sunk a great deal of money over the past year into developing juvenile delinquency projects across the province. There are about 13 run solely by the Ministry of Correctional Services and about another 13 which are joint ventures with the federal government. I can give you the list of them, if you are interested in these, after the debate.

Again, one could argue this is not the mandate of Correctional Services, but in point of fact most of these programmes, or all of the programmes, are concerned with children who have been in trouble in some degree with the law, although they may not have been brought to court. They're children who have been identified as having a problem. However, I think that it's perhaps arguable that Correctional Services should be doing this; it's arguable that it's more a function of perhaps the ministries within the social development field.

Mr. Stong: Mr. Chairman, through you as well, just along the same theme, crime prevention and detection, your policy seems to be directed toward theft and property-related offences, but when you talk about greater bolt locks and architectural planning, that applies as well, obviously, to offences against the person.

But what is the justice policy field with respect to detection of the white collar crime and the policing of it? I'm talking not in terms of the petty theft and the break and entry, I'm talking about the employment of people who are qualified, chartered accountants in the police forces, people who are qualified with greater education to detect that type, crime at that level—frauds, as opposed to the juveniles who are apprehended and the young offenders who are apprehended and compile most of our statistics. What is happening in that area?

Hon. Mr. MacBeth: You ask what is the policy. I don't know whether we have any specific policy on the matter, except to supply the best detection people we can. It's very much come to light in recent years that the ordinary police training, and the background that many police constables have before they are appointed detectives, is not sufficient to qualify them to detect the white-collar crime. So more and more, certainly in the municipal forces, and I refer particularly to Toronto and the OPP, they have taken on people with chartered accountants' degrees and commerce

and finance and backgrounds of that nature, so that they can cope and detect these, and they're being relatively successful.

Now I say relatively successful. Goodness knows how many are not being detected, but the ones where the business has come to the police and said, "Here, we are suspicious," we have now had the personnel to go in—not as many as we'd like but an increasing number of them—to examine the books of the companies and to get convictions in many instances.

Mr. Stong: Is it confidential information, for instance, as to how many of a specific type of person you have hired?

Hon. Mr. MacBeth: Oh no, I don't think there's anything confidential. If you're asking me for it here I haven't got it, but I can get it for you.

Mr. Stong: And what are the constraints, financial, so that you can't hire more of these people for greater detection.

Hon. Mr. MacBeth: Well yes; on any police force, the police commissions are always after more people than the municipality or the government is prepared to finance. They always suggest that if we had more people working the schools we'd have less trouble with the schools and better safety, and if we had more traffic people keeping track of speeding we'd have less accidents caused by speeding. I'm not so sure that those arguments are always valid.

We had, a year ago, quite an increase in the police forces across the province when the province encouraged and supplied more money for police forces. As Mr. Sinclair was suggesting the other day, every policeman generates so many charges in the course of a year; you hire more policemen and therefore you get more charges. That makes it look as though the crime rate is going up. It may simply mean that the crime detection is going up. But those figures, again, are used by the police who say: "Look here, last year we had so many more charges, we need more police again." I don't know, it gets back to what you say in the school system, I guess the ideal would be to have one teacher for every pupil, maybe what we're coming to is one policeman for every citizen. I hope not, I hope that the police work and crime detection in the province will depend more on the moral fibre of the citizens than it will on the ability of policemen. But yes, there certainly are financial restraints on all of the police forces, and if they had more highly skilled people of the nature you're talking

about they might have more time, presumably they would have more time, to follow up in greater detail those incidents of white collar crime that are brought before them.

[4:00]

Mr. Stong: On the last occasion, last Wednesday, Mr. Breaugh was talking about the Durham regional police force and some of the rules that apply to the police officers; it brought to mind what I discovered about the York regional police force in preparing for these estimates, and that is I was advised by a reliable source that the York regional police force, taking the entire force into account, the average years' experience is 18 months, and that is because of the turnover at the lower echelon.

What is the ministry doing to try to ascertain and to try to keep police officers on the job? Eighteen months' experience isn't very much experience on an average basis for a police force assigned with the tasks of crime detection on the higher levels, the lower levels and right across that entire area. What's the policy? What are you doing to try to keep policemen on the job?

Mr. Chairman: Before you answer, Mr. Minister, there's a bit of a problem here. The earlier questions have covered a wide ambit in the interrelationship of the various ministries; that's directed right on to Solicitor General, it seems to me, and while I permit the question to be answered at this stage, I'm going to ask people in the committee that when they're directed on that way, just simply because he happens to be Solicitor General doesn't—what we're trying to do is cover the interrelationships of the Justice field.

Hon. Mr. MacBeth: You're quite right. This, of course, is one of the complaints that Mr. Breaugh was talking about in Durham, the problem of hiring policemen and training them for the job and then putting them out. Mr. Singer, who's here, has always complained about the fact that so many people go out on the streets without very much training. Some of these places where they're enlarging so quickly, as they had in York region and Durham and some of the others, have got this very real problem. Now what are we doing to try to keep them there? The policeman's lot is not—

Mrs. Campbell: A happy one.

Hon. Mr. MacBeth: —not a happy one; all right, Mrs. Campbell, that's very true.

I think we'll always get a fair turnover with policemen. I don't think, at today's salary, we

can say it's simply because of salary. I think a great deal of it has to do with public attitude. If you are trying to patrol certain areas of a city like Metropolitan Toronto, and seem to be treated with scorn by some members of the public, who might call you pigs or something else, it's not everybody's cup of tea. Everybody doesn't appreciate that kind of treatment. As long as they get that sort of treatment—and as you know, the policeman is criticized on both sides, he's criticized for being too harsh with people that he takes into custody and in the next breath he's criticized for not taking enough people into custody. So as long as you have the difficult job that they have, I think that you're going to get a fair amount of turnover.

Now we're trying to do our best, by keeping policemen reasonably well paid; and certainly all of the police forces of any size have educational programmes for them and do their best to build morale. As Solicitor General that's certainly one of the things that I'm trying to do, keep an eye on standards across the province, of police commissions, and to try and see that they treat their forces fairly in view of today's society. In other words some of them are living a few years back, some of the people who are at the tops of the police forces, and I'm trying to remind them that they're living in today's society where things are a little different from what they were 10 or 15 years ago when they were perhaps juniors on the beat.

It's a continual problem and we're doing out best to cope with it, sir.

Mr. Stong: Mr. Chairman, specifically to the minister in this area, perhaps in line as well with what Mr. Breaugh was asking about with respect to the Durham regional police force, the same type of complaint is cited to me with respect to the York regional police force, and that is the inner departmental discipline and type of rules, whether the police force is going to be run on a paramilitary basis or a little more loose basis, seems to be part of, and a major contribution, towards the conflict and the trouble. I'm wondering if your ministry is making a study in that area so that the attitude and of the police officer within the force, himself, as the instructions filter down from the top, there may be a better—

Hon. Mr. MacBeth: Very definitely yes, Mr. Chairman, and that will be part of the problem with which this committee will be dealing, I hope before the end of the session, with the citizens' complaint legislation, because it goes not just to the citizens' end of

it, but to the—not grievance procedure but the complaint procedure for the police officer himself. That is one reason the legislation has been delayed in coming forward, because it's not simply a straightforward answer, there isn't a straightforward answer. There are so many problems within the present police set-up, just as I mentioned, that the existing chiefs are concerned about the military style of discipline, which has over the years I think worked pretty well. They would like to see it continued, or some of them would, and some of them are concerned at what the government is proposing. I've discussed it with them. You ask are we studying it; yes, very actively. Having discussed it with them, they have expressed some fears that there will be a breakdown in the morale and the discipline of police forces. I think we have an answer and it will be something that this committee, I trust, will be dealing with shortly.

Mr. Stong: One more question, Mr. Chairman, and that'll cover the areas of concern that I have. In your material, you have indicated that there's development of a legal education system in the school, or programme, and it's current. I'm just wondering if the ministry is, or the combined ministries are, preparing a programme that will be introduced into our schools. Who's going to be teaching the laws? Are you going to be calling in lawyers? Are you going to be using bar graduates? Are the people who teach this course going to be required to have a law degree or are you going to rely on the teachers presently in the system?

Hon. Mr. MacBeth: Oh no, it would be simply one of the curriculum courses that the present teachers would be conducting, just as they might conduct a course in mathematics or English. It would be relatively basic, it certainly will not be anywhere near a university course or a law standard, but something that the various grades can handle. I certainly think something that can be explained and taught by the present teachers.

Mr. Stong: Mr. Chairman, that's all I have.

Hon. Mr. MacBeth: Grades six and seven, Mr. Sinclair tells me, is what he is presently working on with the Ministry of Education.

I might just take a minute, Mr. Chairman, if I may, talking about education; again it comes back to the Solicitor General. We have just completed a film that the information people in that ministry have produced called *Doing It Wrong*. It's well worth seeing. The

policy field did see it, although the policy field was not involved in the production of it.

It's about a group of young people who go away on a summer camping trip together and make all the mistakes that some young people do. It ends up with a little lecture on law; surprisingly enough it's given by probably the roughest, toughest of the young fellows in the picture, who is talking about what the effects of a criminal record of some sort will be. If any are interested in seeing this—it ends up quite dramatically, of course, somebody is hurt and the OPP come to the rescue with a helicopter. It's well done, well geared to—

Mr. Singer: To the strains of Ontario-ari-ari—

Hon. Mr. MacBeth: No, no, it's not. As a matter of fact, Mr. Chairman—

Mr. Breaugh: Is your name among the credits?

Hon. Mr. MacBeth: No; well I think my name appears very briefly, not long enough.

It's really quite effective; and it's geared for people in their, oh I'd say from 15 to probably 20 years of age. It's very effective and if you have—

Mr. Singer: We didn't know about that when we were doing your own estimates; could we find out how much it cost?

Hon. Mr. MacBeth: Well, again I can't give you the cost right off hand, but I'll be glad to supply it for you.

Mr. Singer: We'll talk to you again.

Hon. Mr. MacBeth: All right, Mr. Sinclair whispers \$35,000 to me. If that's not correct we'll let you know, if it is correct that's the answer.

Mr. Chairman: The speakers on the list are Gill Sandeman, Vern Singer, Margaret Campbell.

Hon. Mr. MacBeth: Let me say if any of you are attached to service clubs or any organizations and you'd like to see it, we'll be glad to supply it.

Mr. Singer: That came out of the Solicitor General's office not the Ministry of—

Hon. Mr. MacBeth: No, but they were asking what we were doing in education.

Ms. Sandeman: I'd like to return if I could to what's printed in the estimate book, the amount of money being spent on justice

policy both for your part of the ministry and as an overall part of the Ontario budget. I must say I have some real concerns about how, as usual, justice seems to be in every sense the poor relation in the provincial budget. As a global part of the budget all the ministries in the justice policy field between them seem to rate about 3½ per cent of the provincial budget, which seems to me a very low proportion, particularly when you see that the interest on the public debt is somewhat more than twice that amount.

I think it says something about where we put the priorities in this province, or when you see, for instance, that TEIGA has a larger budget, that Government Services has a budget about three-quarters of the whole justice field and so on. One could go down the list. I wonder if you have any comparative figures for previous years. Is justice improving its position in the league table—sorry, I'm a soccer fan—or are you dropping back? Mr. Sinclair understands.

Hon. Mr. MacBeth: Yes, we'll let Mr. Sinclair answer it. I'll be glad to let him answer it in just a minute. But in connection with it, you're not going to get any argument from me, although we must look at the overall picture. I'm sure you realize the social field is the big field that has taken so much of the budget. In the years when the social field was going ahead so quickly, and I guess particularly in the field of health, we were certainly falling behind percentage-wise.

But in a year such as this we're holding our own pretty well percentage-wise, because so many of the items that we deal with are fixed to salaries, such as the court officials, and the police officials, and the jail attendants and one thing and another, and those are salaries. So in a year like the present we are holding our own. But a few years back, when others were advancing so quickly, we were not advancing that quickly at that time and it gives real concern to each ministry and each of the individual ministers in the justice policy field, and your point is well taken. Now, Mr. Sinclair, do you want to add to that?

Mr. Sinclair: No, only this, and I'm speaking from memory in answer to Ms. Sandeman, that in approximately eight years, the percentage of the total provincial budget going to ministers within the justice field has dropped from about 4.4 to about 3.75. I'll be happy to provide you with the exact figures. Memory may be playing me false, but I think I'm very close there. The actual

amounts from year to year, of course, have increased. Because the total budget has increased much faster.

Ms. Sandeman: To follow on then with what the minister was saying, the reason, as you suggest, that the justice policy field is holding its own is because you're a very labour intensive field and you have to pay the salaries, which further suggests that if you're holding your own because you are labour intensive there is very little spare in the budget for the important programmes that you would like the people that you have on staff to be able to put into operation.

[4:15]

I think in all areas of the justice policy field, as we've sat through the estimates of the various ministries, we've seen time after time the picture of ministries which are battling with increased case loads, increased demands on the staff with no opportunity to significantly increase the staff and, in fact, I think in every case except Correctional Services there's been an actual reduction in staff. Yet if you take, for instance, the case load in the courts, the numbers of people in the jails, the numbers of people on probation, the numbers of people one would wish to see involved in preventive programmes or individual programmes in corrections, there just doesn't seem to be the money available.

I would suggest, and I'm sure you would agree with me, that it's a very short-sighted way to deal with justice. We're sitting on a kind of time bomb in the jails and the Ministry of Correctional Services are only too well aware of that, I know. Speaking from personal experience I know it's impossible for a probation officer to do a decent job with 120 people on an adult case load. I'm sure it's getting increasingly difficult for probation officers in the juvenile field in corrections to do a reasonable job. Although on the face of it their case loads look smaller, the work they're required to do around finding foster placements, helping with group home programmes and so on is very demanding work and there just aren't enough of them doing it.

One could go on giving examples from all ministries, and I don't want to go over ground that we've gone over in the individual ministries, but I just want to say I don't know how you impress on your cabinet colleagues that somehow you have to be given a large share of the pie before the short-sightedness which keeps your share so small spills over in all kinds of disastrous ways, into the necessity for spending far beyond what we're do-

ing at the moment, in social programmes, in mopping up the wounds, whatever you like.

I think justice is one of the areas where prevention is so very important and where we're just not seeing the financial backing for it. Earlier, Mr. Stong mentioned the delinquency prevention programme. I presume he was talking about the one Fred Boden is dealing with in Correctional Services. What is the budget for that? It's very, very small.

Hon. Mr. MacBeth: That would be a corrections item and I can't say.

Ms. Sandeman: I know they have 12 projects and Mr. Boden is dealing with it more or less on his own. It's spread across the province from the far north to the suburbs of Toronto, and it's a ridiculously small amount of money to designate as a delinquency prevention budget. As I say, one could go on multiplying examples.

Hon. Mr. MacBeth: Of course, there are some people who would argue that the corrections money shouldn't be in the justice policy field, it should be in the social field and in the educational field, preventing it before it happens. That's a hard argument to counteract too, and I'm sure that's the wish of all of us, but recognizing that some people are going to fall foul of the law, then if we can do more early detection and early re-direction, and that's where our forces would be employed, well and good.

I certainly agree with what you're saying, and as minister for the justice policy field I would certainly like to see us get more funds. In fairness, you mentioned Government Services. They do have funds in their budget to build correctional institutions, so you just can't separate them completely and say that simply because their budget is large it's out of proportion with our own, because as I say, there's money in there for correctional institutions this year.

Ms. Sandeman: I would like to pick up on what you said about perhaps the preventive work shouldn't be in corrections at all, to suggest to you some of the reservations I have about the policy field as a field. I agree with you that there's often too much of a dichotomy between corrections in its socially based programmes and health, welfare, whatever it may be, and that we get ourselves into ridiculous boxes by, for instance, labelling a child as a training school child or a Ministry of Health child, and it's just a matter of chance which agency they happen to fall into first, it's the same child.

I would like to look not at that kind of dichotomy, which I think with more inter-

ministerial activity is quite easy to overcome, but I would like to ask you—and I am sure this question was thrashed out before I was a member, when you first set up the justice policy field, but I still cannot understand what Consumer and Commercial Relations is doing in the justice policy field. Consumer and Commercial Relations to me is part of the system of production in the province.

The commercial relations part of it is tied in with industries, both service industries and goods producing industries; the consumer protection branch of it is tied in with what happens to individuals or groups when they meet problems as a result of faulty production or poor advertising, or whatever it may be. I think they are very strange bedfellows in the justice system.

I have a feeling that you don't have to get into this box of having the policy fields. I am wondering if it isn't time the government should be getting back to rethinking again. That's a question it's perhaps not fair to ask one policy field in isolation. If you have to move it into another policy field, I guess you would put Consumer and Commercial Relations in with Industry and Tourism. That's the most sensible in my mind.

However, when I look at the staff you have in your policy field, it seems to me that you have a lot of very talented people directly involved with the normal justice operation, and these people are being asked to spend a lot of time—if we are to believe some of the sheets that you gave out—on the Consumer and Commercial Relations part of the ministry, and you have such a small staff. Your deputy comes to you from correctional Services; Leah Lambert and Rex Welbourn also come to you from there; Mr. Wiley, I understand, is from the Attorney General's department; Ms. Barr-Carley comes from the Centre of Criminology in Ottawa; those are people whose backgrounds I can identify. The only background I can't identify, apart from the secretaries, is Mr. McConney. Does he have expertise in consumer and commercial relations? What is his background?

Mr. Sinclair: His background is in social work.

Ms. Sandeman: His background is in social work, which is an excellent background for the policy field. Mr. Richards is the administrative officer and his title is self-evident. So, in effect, you have in your very small staff people who are experts in justice, corrections, Solicitor General's areas, Attorney General, courts, social work and so on, and yet you are expected, that same small staff,

to deal with the list of items you gave us covering October, 1975, to November 1976, representative items considered by the cabinet committee on justice, and I presume that the policy field had some large input into that. Of the 13 items really it's very hard to find one of them that is a justice item: Blind Persons' Rights Act, Sunday observance, warranties to protect purchasers of new houses; consumer product warranties; Credit Unions Act; and on and on. It's an extraordinary dichotomy between what you spend your time doing and the people who are doing it.

I'm sure this has occurred to all kinds of other people beside me but I come to this with a naive newness because it's the first time I have had the chance to look at the justice policy estimates. While I'm on the staffing level, I notice that you have been cut down. Last year, in fact since 1973, you have been allowed a grand total of 14 people for the justice policy field; this year you are allowed 13 complement; and at the moment I believe you only have 12 because you have one vacant position. So these poor hard-worked—

Mr. Sinclair: It has been vacant about two weeks, yes.

Ms. Sandeman: —souls not only are being asked to do all kinds of things that they're—I won't say not competent to do—but certainly not trained to do and I think it's in many ways a waste of their expertise to ask them to do, but there are even fewer of them this year to do it with an even more paltry budget.

Maybe I should stop there and ask the minister what his feelings are about having Consumer and Commercial Relations, which means rent review and all those extraordinary things, alongside justice, and asking Leah Lambert and Rex Welbourn to deal with those. I'm sure they're totally competent to deal with them but I can't help thinking there's things they could better spend their time on.

Hon. Mr. MacBeth: There's no question that when you divide the government's operations into policy fields, you are going to make some arbitrary decisions somewhere along the line. You mentioned Industry and Tourism, and there could be good reason for putting consumer protection with the industry branch. On the other hand, if you look at all of the things that consumer and commercial relations deal with, they are involved eventually in the enforcement end. In other words, they can set up regulations as to what

stuffed articles should include, but if some manufacturer breaches the law, then they are the ones who have to prosecute in some way or another.

The same with rent controls. So much with rent control is before the courts or some kind of quasi-court system. The securities commission, again, is making sure that people follow rules and regulations, more so than I think in any other ministry. Sure, we can all end up in the courts at some time or another but transportation doesn't very often end up in courts unless it's a matter of interpretation of a contract, or something of that nature.

But the whole basis of consumer protection involves people who don't want to live by the rules and break the various rules that are set up to protect the consumer, so that's the logic for having it fall in the justice policy field. They look after such things as the registration of titles that the lawyers are dealing with all of the time.

I admit it's an arbitrary decision. You might have put it in industry, but so much of it does have a semi-legal side to it that when they set up these fields, that is where they decided to place it and it's working pretty well.

As far as the staff, what they do when consumer protection brings forth a paper—and they are generally not theoretical papers, they're very down-to-earth suggestions as to what they should do to cope with the problem—the policy field simply provides a different perspective than maybe the ministry itself, who may be too close to the scene. It brings some points of view to the picture that the ministry itself may not have seen. It is just the matter in the policy field of somebody with some common sense standing back a little bit from the problem, who has time to analyse it, and will sit down and do just that.

I think it's working very well. We have made some good suggestions to that ministry and eventually they have incorporated some of those suggestions in the legislation that has come forward. It might just as well be done in some other field, but I think it has more kinship to our field than any of the other policy fields.

[4:30]

As far as personnel is concerned, you will note that there has been quite a changeover in personnel. Mr. Sinclair has been concerned with getting people who were more qualified to act in the policy field than some of our former people were, and as for additional

personnel, he'd certainly like them and could use them. He mentioned to me when Mr. Stong was speaking—Mr. Stong was asking me whether we had done such and such a study, white collar crime for instance—and Mr. Sinclair said: "No, it's just lack of personnel. If we had more people we could do these things." There's no question about that. If we had a larger staff we'd have time to get at some of the matters that you're talking about. Mr. Sinclair, do you want to add anything further to the matter of staffing?

Mr. Sinclair: No, I think this is a very interesting point though that Ms. Sandeman has raised and that is: "What is the most appropriate group of people to analyse a submission when you look at the range of submissions that we get?" We gave two examples the other day of the kinds of analysis that we've done and the input to those came from a social worker, a lawyer, a person whose main background is in accountancy, but I would submit to you that each of these viewpoints is relevant and each is worthy of consideration.

I don't think, for example, if we had a staff of people who were entirely lawyers or a staff of people who were entirely policemen or ex-correctional people or people who were right outside in the justice field, that we would be as well equipped as we are having a range of people now whose background, experience, temperaments and personalities lead them to be good people as far as we're concerned and analysing submissions that we receive.

The two examples we gave you the other day would indicate that these are dealt with thoroughly and dealt with by people who have some knowledge of the subject. Certainly, we would be very happy if we could have more people to explore some of these other things that we have mentioned or to explore to more depth than we have done, but until someone in his wisdom decides that we shall have more money, then this will not be possible.

Ms. Sandeman: The two examples you gave us the other day—do you mean the—

Mr. Sinclair: The analysis of the peace and security package and the young people in conflict with the law.

Ms. Sandeman: Right. Again I completely agree with you that the team you have there probably couldn't be bettered as people to look at the peace and security package and the young people in conflict with the law, but I'm still not totally convinced by the argument that keeps Consumer and Commer-

cial Relations alongside that. However, we agree to differ on that.

You mentioned the peace and security package and you gave us the province's response to that, which was quite a detailed response—

Mr. Sinclair: Excuse me, it wasn't a response.

Ms. Sandeman: I'm sorry.

Mr. Sinclair: This was merely an analysis of the bill that was proposed.

Ms. Sandeman: It's called a response.

Mr. Sinclair: No, it is to young people in conflict with the law but not to peace and security.

Ms. Sandeman: I'm sorry. Did I say peace and security? I meant the young persons.

Mr. Sinclair: Yes, that is a response.

Ms. Sandeman: Yes, okay.

Mr. Singer: Did you respond to peace and security?

Mr. Sinclair: No, sir.

Mr. Singer: You didn't?

Mr. Sinclair: If I may, sir, the question was raised on Wednesday. The reason that there was a response to the young people in conflict with the law was that this was a piece of draft legislation to which the provinces were asked officially by Ottawa to make their response. In the case of the peace and security package, we had meetings both with officials and ministers between Ottawa and Toronto prior to the introduction, but until the bill was introduced we did not know what exactly would go into it. This is an analysis that is before you of the situation as we saw it after the bill had been presented.

Ms. Sandeman: I appreciate your giving us copies of the provincial response to the young persons in conflict with the law report. I'm surprised that you didn't also bring that splendid flow chart—I think it's Glen Carter who loves to carry it around and show us the full horror of what might happen.

I have a couple of questions I'd like to ask you. What do you hear from the federal government about the likelihood of this legislation being reintroduced? I understand that it's, in effect, dead at the moment. What have they told you? Are they going to bring

it back or are they going to amend it and bring it back or what do you hear?

Mr. Sinclair: Mr. Chairman, if I may, the only information I have on that is that I have been informed by my counterpart in Ottawa that the draft legislation has been rewritten, taking into account as many as possible of the criticisms made by the different provinces which are common to each of them, and that it is now before or in the hands of cabinet, and once cabinet approves it, it will be introduced into the House in Ottawa. This was about a month ago that I had that information and at that time they were hopeful it would be introduced during the present session in Ottawa.

Ms. Sandeman: So it's not going to share the fate of that previous—

Mr. Sinclair: I don't think so, not on the basis of the information we have been given.

Ms. Sandeman: In connection with that, the report of the Ontario consultation, which the secretariat held in December of last year, includes a very interesting wrapup speech by Dr. Chamberlain which I thought introduced some excellent points which perhaps I could ask you to comment on. Dr. Chamberlain discussed the philosophic differences for instance between the youth court and the juvenile court which he felt must be resolved by governments considering the legislation and then he went on to say that and I am quoting from his speech:

"Perhaps the wrists of both levels of government should be slapped for letting 15 years of deliberation go by without establishing a joint federal-provincial working committee to consider all legislation dealing with children rather than in such a piecemeal approach. Belatedly the provinces must now look to child welfare and other legislation dealing with children and family life. I think it is time we made it possible to respond to the needs of children, whether for shelter and food, protection or discipline in control, in an integrated way.

"It is vital, for instance, that clear statements providing for authority to back up responsibility be made. Children's Aid Societies and others working with children currently are hamstrung by insufficient authority to carry out what appears to be a mandate.

"In the past and now more and more, they are dealing with very difficult youngsters and yet we allow destructive ambiguities to persist. An example of this kind of thing is our current use of detention facilities. Nowhere in the proposals we are considering, or elsewhere, are there clear guidelines for the use

of secure custody for the protection of children or adequate safeguards for such use. This is an area which must be considered very carefully by the provinces."

He went on to suggest that further work must go into the process of developing and elaborating proposed child welfare legislation, legislation to provide modified courts and services, legislation to deal with provincial and municipal statutory responsibilities, legislation to deal with wardship of children. All must be brought simultaneously to a conference of this sort to ensure true integration.

I guess what he's asking for is more than a response merely to the federal legislation, but a response to the needs of children which would also develop a whole package dealing with all the needs of children. I wonder if you could tell me what's going on in the justice policy field in this area.

I guess you would probably accept the slap on the wrist that he administered to the various governments for letting 15 years go by. Ontario isn't alone in having been so tardy in bringing in a complete package. But is there any consideration being given to developing and elaborating new proposed child welfare legislation?

I know we are looking at modified courts and services. That's something that has come out of the justice policy field. What about the provincial and municipal statutory responsibilities and legislation to deal with wardship of children—some of these other things that don't come under the federal legislation? Where are we at with those?

Hon. Mr. MacBeth: I think the politicians quite rightly should have their wrists slapped on it and maybe more than that. I think again we are bogged down with our constitutional problems in this country as to whose responsibility it is. The laws pertaining to criminal matters, of course, being federal, and the social end of it being provincial, and as you say we can't look at these things individually but they should be studied in one picture. We are also, of course, concerned with the financial implications of all these things. The federal government has, seemingly, the bulk of the income to meet these various needs and we have to go to them as municipalities, in turn, have to come to us hat in hand asking for money to look after these things properly. I think all politicians, in the sense that we haven't come to grips with the constitutional problems and the financial problems arising from it, can rightly be criticized.

We have dealt specifically with the federal paper, the proposed bill, which did put a great deal more financial responsibility on to

the provinces as our reply or response would indicate.

In some of these other fields, again, Mr. Sinclair is attending a good number of meetings which, as I mentioned the other day, I don't attend. It is not that I am not interested or wouldn't like to attend but it is a matter of time. The staff are working on these problems on a day-by-day basis, trying to see what can be done to improve the situation. Mr. Sinclair, again, I will turn to you for any enlargement on what we are doing.

Mr. Sinclair: Mr. Chairman, one can only endorse the sentiments of Dr. Chamberlain's speech to the public group which we assembled to discuss this legislation some months ago. One of the difficulties we faced—if I may start again—going back a few years, we have tried on several occasions to ask the federal government that when it decides to amend The Juvenile Delinquents Act that such amendments be done only at the same time as other provisions of a health or welfare nature. We haven't been successful in this.

One of the difficulties during this last year, in the discussions on young people in conflict with the law, was, as Dr. Chamberlain well knew at the time he made that speech, the federal government was also in the process of amending the Canada Assistance Plan. Again, we had two separate pieces of legislation, each going its own way, with no link in the relationships involved here.

I admit there are great difficulties in this area, looking at this from the viewpoint of my colleagues in Ottawa because they, too, have their own structures and believe "This is my area and that is somebody else's." I appreciate their difficulties. At the same time it seemed to us a pity that the two separate pieces of legislation were proceeding with very little contact between the two.

The only contact I know of was a meeting of deputy ministers of welfare across the country to look at the Canada Assistance Plan, the revisions in the plan. I heard of this meeting and sought to be invited to it in order to put the viewpoint of those of us who are interested in children who are in trouble rather than children who are troubled. I can only say that I had a sympathetic hearing.

Perhaps I can complete the story by going back to where I started, namely, the latest information I have is that this Act has been amended, the draft has been

amended, and it is in the hands of cabinet in Ottawa. To what extent it may have taken cognizance of some of the difficulties I tried to outline at that meeting and Dr. Chamberlain tried to outline at the Guild Inn, I have no way of knowing.

Ms. Sandeman: You are waiting for federal initiatives?

Mr. Sinclair: We are waiting to see what is in the bill because in fairness to the Ottawa people—and this is a fact which gets lost sight of from time to time—this was only a draft. It was put out as a straw man that people could take pot shots at so it's really unfair, until the bill is introduced in its amended form, to criticize it because we don't know what's in it.

Ms. Sandeman: I was grateful to you, Mr. Minister, for circulating the description of the secretariat activities and there are a couple of questions arising from some of the information on programmes. I know other members have questions on some of these but there are some that were of particular interest to me.

I wonder if we could get any more detail on the group of projects relating to alcohol. No. 1: Documenting present situation re charge of public drunkenness. Mention is made of the detoxification centres which are now used as an alternative to laying a charge. It seems to me I have heard some rumblings recently of perhaps dissatisfaction with the detoxification centres. Although they are very useful as drying-out places for drunks and although they provide an alternative for the police to taking the fellow or the woman—mostly men, I think—to the lockups and laying charges, the revolving door still seems to be in operation.

The police are still having to pick up these same people and take them to the detoxification centre rather than to the lockup. We may be succeeding in decriminalizing public drunkenness, which I think is a good thing and maybe that's all we should be expecting to do. I'm wondering if any more expectations are unrealistic.

What does the social development policy field see as the role of the detoxification centres? Do you have any hope that they will reduce the incidence of drunkenness or do you just look upon them as an alternative to innumerable court appearances for the hopeless alcoholic?

Hon. Mr. MacBeth: I guess all of us are still sufficiently optimistic that we hope that

some day we will come up with some sort of solution to the problem of drunkenness. We are all pretty ambivalent when it comes to talking about alcohol and the problems.

Speaking about the detoxification centres, I think they are working. We need more of them, but you mentioned the revolving door and certainly they are just that.

You talk about removing it from criminal offences. Certainly that is our wish. We do not regard drunkenness as a crime any more but rather as a disease of some sort, a health problem. I think that's the proper approach and the approach which all of us in government want to see followed through.

On the other hand, the public generally doesn't want those who are drunk on the streets or around public places so there must be somewhere for them where we can place them. I think we need a few changes in the law to bring that about properly—not only more detoxification centres but perhaps further changes in the law so that we can place them in other places than the jails.

Certainly we are in favour of decriminalizing it and in favour of having places where these people can be put.

As far as curing them is concerned I would like to think we are making progress. I was out one evening with some of the Metro police and I visited a detoxification centre which the sergeant with whom I was travelling said he used quite frequently. He said when he picked up a drunk, if they were lucid at all, that's where they wanted to go, to the detoxification centre, and that's where he would take them.

I went through one on Dundas Street and I was quite impressed with what I saw there. People seemed to be sitting around, enjoying television and each other's company but I do think it's not much more than a drying-out process. When they do dry out, they go back on the street again and I suppose a few weeks later he is picking up the same person.

He admitted he had that problem but certainly the police were all in favour—I shouldn't say the police generally—this particular man I was travelling with thought this was a far better solution than having to take a drunk to the jail, lock him up there and wait for charges the next morning.

We don't have enough of them across the province. As you know they take some people skilled in handling them and looking after them, too, and not everybody is qualified for that kind of work. All I can say is we are moving in the direction of more of these centres.

Of course, there is a continual study by government of what we can do in the whole alcohol problem, with youth and with others. Mr. Sinclair, you, again, can enlarge on what the members of your staff are doing, the various studies and work they have under way.

Mr. Sinclair: I think it's fairly well documented in the material we sent around. If there are specific questions on it, I would be happy to answer them or ask Dr. Lambert to do so. She's here with us.

Ms. Sandeman: There was a specific question actually about the second of these current projects but to pick up briefly on something the minister said—you suggested you would like to see changes in legislation and I think the drift of your remarks was toward mandatory treatment?

Hon. Mr. MacBeth: Yes, toward mandatory—in other words, if they do end up in the criminal process somewhere along the line they could be dealt with in other institutions other than the jails. Of course, that requires more of the facilities we were talking about.

Ms. Sandeman: You are talking about a disposition through the courts for the offence of drunkenness.

Hon. Mr. MacBeth: Yes, if that happens. As I understand the way it works now, when they go to a detoxification centre it's mainly at their own request. Am I right on that, Mr. Sinclair? You can enlarge on that.

Mr. Sinclair: The police decide that this is a viable alternative and the man agrees.

Ms. Sandeman: Although I believe, in some of the centres, once you are there you are not allowed to leave the premises for 48 hours.

Mr. Sinclair: That's correct.

Ms. Sandeman: I have lost my train of thought on the mandatory treatment. Are there studies to show that mandatory treatment or mandatory institutionalization of alcoholics is an effective way of dealing with alcoholism?

Hon. Mr. MacBeth: Mrs. Lambert, would you like to come forward? Did you hear the question? She is our expert on alcohol, not from personal experience but from personal study. The question was whether there are studies to show that mandatory treatment is effective.

Mrs. Lambert: I don't know of any specific studies which would show that. It would be my impression that mandatory treatment would not be necessarily effective.

Ms. Sandeman: I wonder, then, why you would want to introduce legislation which would involve you in more expensive institutional settings without the rational hope of reducing the incidence of the behaviour which you are trying to prevent, which seems to me to be the rationale of a penal system.

Hon. Mr. MacBeth: Certainly that would be the preferable way, if you could correct the nature of the beast, and end up with him in this condition. As I say, there are many parts of the province where we don't have these detoxification centres and they end up in the jail system which still has a criminal connotation that I think we all agree should be removed from this problem.

Ms. Sandeman: You are really talking about a much broader network of detoxification centres, are you?

Hon. Mr. MacBeth: Yes. I think it's desirable.

Ms. Sandeman: It's slightly different, I think, from what you were suggesting a moment ago.

The question I wanted to ask is about the second of these two projects, the one that is headed "Examining the extent to which alcohol is a primary factor in offences." I am interested to see that is being done because I think everyone who has worked in corrections or elsewhere has had an unsubstantiated impression that an enormous number of offences were alcohol-related. Causation is another thing, which you know we couldn't possibly prove whether it was cause and effect or a related factor or whatever.

I'm glad to see that this pilot study is being done. I notice that the purpose of the study is to determine the extent to which alcohol-related offences utilize resources at different stages of the justice system. What resources are we discussing there? I mean are there resources to be utilized? One of the problems that I've come across is that there weren't resources.

Mr. Sinclair: No, I think in this connotation, Mr. Chairman, what we're saying here is that if it's possible to divert the drunken offender from the system, then obviously you're going to save a considerable amount of money, time and so on, at the court end and certainly at the correctional end. I think

that's the kind of resource that we're talking about here.

I'll let Mrs. Lambert elaborate on this because the figures are not, the study is not totally complete, but there are indications here from the study that has been made. It was made in Hamilton, incidentally, over a set period of time, but I doubt whether there would be significantly much change in other cities in the province.

It bore out our guess, the one that you indicated from your experience, namely that far many more offences do have an alcohol component than perhaps many people suspect. But perhaps Mrs. Lambert could elaborate on that.

Mrs. Lambert: In terms of your question relating to resources, it was to examine the extent to which police, the courts, and the correctional institutions and probation officers are involved with people who have been convicted of an alcohol-related offence or who have an occurrence involving the use of alcohol. We also looked at the victims and determined, according to the information that was available, the extent to which alcohol might have been involved at that end also.

Ms. Sandeman: Oh I see, so the resources you're mentioning here are the resources already in place; the regular police, probation officers. I thought for a moment I had missed a whole network of resources which police, probation and so on could draw on. But that's the resource you were talking about.

Mrs. Lambert: Yes, we didn't look at that, although we have access to material from a study that was done in Hamilton looking at the broader, it's in fact an ongoing study looking at a broader array of resources in the whole social development field, by a professor at McMaster University.

Ms. Sandeman: When can we hope to see some of the reports of this work?

Mrs. Lambert: I believe our report should be ready by the end of December. I believe that some of the reports, by this Dr. Gerson from McMaster University, are already in draft form or available.

Mr. Sinclair: Mr. Chairman, if you wish we could have those reports circulated to all members of the committee as soon as they are available, if you would wish this.

Mr. Chairman: That would be very good.

Ms. Sandeman: Just one brief question for clarification on that: When you speak of

alcohol-related offences, did you go down the court dockets and you got maybe six breaking and entries, and then you find out if those offenders were under the influence of alcohol at the time; or did you just take drunk driving or drunk in a public place or causing a disturbance while drunk—you took the whole docket?

Mrs. Lambert: We went through six weeks of occurrence reports, which included all of the occurrence reports that the police had for that period. We had two graduate students who read each of these reports and checked each other, on spot checks, to make sure that there were no biases there. They coded them according to the extent to which they felt there was an alcohol factor involved.

Hon. Mr. MacBeth: That would even, as I understand it originally, if somebody wanted money to buy alcohol—or did you get into it that far? In other words if they were stealing to buy alcohol, would it reveal that as well?

Mrs. Lambert: It would depend whether the police had written that into the occurrence report. We went solely on the material that was provided by the police at that time.

Hon. Mr. MacBeth: Did you do any interviews of either victim or accused?

Mrs. Lambert: No, these were cases that occurred back a year ago; in order for us to be able to have had enough time to trace what happened to them after the arrest.

[5:00]

Ms. Sandeman: I presume that by the nature of the study it will be mainly a descriptive piece of work and it'll be up to others to draw conclusions and put it into policy suggestions.

Mrs. Lambert: Yes.

Mr. Sinclair: It may be possible, Mr. Chairman, for us to draw some conclusions, or Dr. Lambert to draw some conclusions herself.

Ms. Sandeman: One of the tragedies that I always felt in working in corrections was that somehow one couldn't come to grips with preventing young people who were heavily into alcohol use from getting into that kind of pattern of the heavy Saturday night, 48 bottles of beer, total annihilation of any sense of responsibility and the consequent criminal activities, which from Monday to Friday they would never have dreamt of.

I remember one day on which I said to a young man, more or less in jest, one Saturday night you're going to kill yourself; and he said, I think I guess you're right. And one Saturday night he did.

He was in court time and time again for criminal offences, but at the back of it there was his total inability to understand, rationally, what he was doing to himself. If you could, you know, help people working in the justice system to handle that, it would be a real breakthrough.

I'm glad to see how much emphasis the secretariat is putting on this very real problem. It's an expensive problem, it's a destructive problem, it's a tragic problem in the justice field.

Hon. Mr. MacBeth: That film I mentioned deals with drinking young people, that's how they get going on this rampage that they go on. They're out camping and they get to drinking beer and other things as well; so it deals specifically with that problem.

Ms. Sandeman: I hope that when you're working through these current projects that there will be others growing out of them, that this will continue to be a major thrust of the secretariat.

I don't want to go through all your projects. Other people may wish to look at them.

To pick up on what Mr. Stong said, I think he felt a little critical about the project which is called Developing Awareness of the Role of Environmental Design in Crime Protection. I think that is actually a very justifiable activity for the secretariat to be engaged in, because it comes back to the remarks I made just a moment ago about the aim of the justice or the penal system surely having to be to reduce prohibited conduct. Whether you do that by imposing mandatory treatment on alcoholics, which I'm not sure that I would like to see, but that's one way, perhaps, of reducing prohibited conduct. Another way has to be by reducing opportunities for crime; and environmental design is a very important part of it.

I think people have become aware of the way in which recent urban design has in fact augmented criminal activity—things which are as simple as not leaving your keys in the car; sometimes I think that should be an offence, particularly on a Saturday night when these same drunk kids are roaming around the parking lots.

Hon. Mr. MacBeth: I had a note of that; example, keys in the car. What are we trying

to do, make a society that we can leave our keys in the car or remove the temptation from young people who may find keys in the car? I think we've got to work both ways.

Ms. Sandeman: Sure. Until we can be sure that 100 per cent of us are law abiding and sober, I think it's probably the better part of wisdom to remove the key from the car.

Are we able to see the informal submission which the secretariat made to the Comay committee? I presume that that is available along with all other submissions, and it's probably my laziness that I haven't looked at it, I'll remind myself to do that.

Hon. Mr. MacBeth: If you don't have a copy, if you'll contact Mr. Sinclair—

Mr. Sinclair: I don't have a copy, but I'll be very happy to find a copy for you.

Ms. Sandeman: Thank you very much.

Okay, there's just one more back here on page, it's number five, under general; inter-ministerial advisory committee on child abuse. That's an area in which I have a particular interest and I just wondered, Mr. Minister, if you could give us a progress report. It says here that the role of secretariat in this committee includes co-ordinating activities which are likely to cut across the whole justice field, or connect justice with one of the other fields.

/What's happening in the child abuse field at the moment?

Hon. Mr. MacBeth: Not as much as there should be, Mr. Chairman. It's one of the saddest parts of our whole justice problem.

Dr. Cotnam, the chief coroner, is probably doing as much work as anybody in trying to bring cases to light, and to try and get the medical profession particularly to report them to the authorities so that they can be followed up.

It's one that, as you well know, is very touchy with some people. I'm giving Dr. Cotnam all the support that I can give him in connection with it.

Again, for studies or background information, I would call on Mr. Sinclair.

As I say I think Dr. Cotnam, in that field, is the key to bringing these problems to light and getting the justice system operating, that is the court charges and things of that nature; but as we all know the basic causes are much deeper than that. Mr. Sinclair, if you have anything to add please do so.

Mr. Sinclair: Here again, Mr. Chairman, simply to illustrate one of the activities in which one of the members of the staff who sits on that committee is engaged; I think I mentioned, perhaps on Wednesday, that at these monthly professional meetings, which are attended usually by 25 to 30 people from across the city, where each month a different topic is put forward for discussion, one of the most well attended meetings we've ever had was the one on child abuse. It seems to be an area in which there is tremendous concern on the part of the people in the legal profession and on the part of social workers, on the part of people working in agencies and so on. There is an interministerial committee established, on which one of our staff members sits at the moment, and we are trying to steer as much interest or as much more interest as we possibly can in this whole field. It's a very delicate and sensitive area, as you well know, but it's nonetheless important for that.

At the moment it is not one of the priority activities within the secretariat, simply because, as I've pointed out before, we're limited in numbers and we're not able to give the amount of time and attention we would like to some of these problems. If we were that would certainly be one that we would concentrate our attention on. I think it's a very serious and tragic one, as the minister has pointed out.

Ms. Sandeman: Which of your staff members is on the committee?

Mr. Sinclair: Mr. Wiley.

Ms. Sandeman: Dr. Cotnam provided us with a lot of very useful background material in the Correctional Services estimates. That committee is still active.

Mr. Sinclair: Yes; I'd have to check on the date of the last meeting.

Ms. Sandeman: What you're saying in effect, I guess, is as a justice secretariat you feel that because of constraints you can't put as much input into the whole field as you would like to, you could be doing more in that area.

Mr. Sinclair: I think there's much more that can be done here than what has been done already.

Ms. Sandeman: Would you like to give some examples?

Mr. Sinclair: Simply the documentation, for one thing; what is being done presently,

what are the problems in regard to the reporting of this kind of offence. Some of this has been written, but written I think rather sketchily. Apart from Professor Dickens at the U of T law school, who has done a lot of work in this field, there is no one else in Ontario that I know of who has really focused his total attention upon the problem.

Ms. Sandeman: At U of T law school?

Mr. Sinclair: Yes. He has just recently, if I may add this, Mr. Chairman, for Ms. Sandeman's benefit, he has recently published an enlarged booklet, perhaps, on the whole subject of child abuse, which is well worth reading.

Ms. Sandeman: Title, please.

Mr. Sinclair: Child Abuse, I think; I'll check that for you too.

Hon. Mr. MacBeth: Dr. Cotnam has just completed a seven-day course for coroners across the province, and not just coroners but police officers, detectives and other people, and that was one of the lectures that was given—child abuse and the detection of it. But, of course, at that stage it's too late.

Ms. Sandeman: Thank you, Mr. Chairman, I think that concludes my remarks, except that I would like to accept the minister's kind invitation. I think on Wednesday when we met you said if we'd like to be invited to these luncheons to let you know. I would like to be invited to these luncheons. I think that would be an excellent opportunity for the critics in the opposition parties to listen and learn and maybe even take part.

Hon. Mr. MacBeth: That would be good, and I'm sure Mr. Sinclair will make a note of anybody who wants to be invited. Again, I go to very few of them because of time. I was at the meeting down at the Guild Inn but only for a matter of a couple of hours. There is a great deal of work being done at the staff level on all of these things. Regrettably, I am not taking the part in it that I would like to take, but I'm sure that Mr. Sinclair would welcome any members of the House, whether they're on this committee or not, who would like to attend those meetings.

Mr. Sinclair: May I say, Mr. Chairman, the meetings are held on the last Friday of every month, but we shall not be holding one in December. We may change the date; the date is unfortunate. I'll be happy to provide you with a list of the forthcoming topics. I think you'll find the group very interesting. It varies from week to week, but usually we have people who are on the faculties of the

school of social work or most law schools; police people are involved; agency people; people from the Clarke Institute. It's a cross-section of people who have some involvement in the justice field, either directly or indirectly. I must say that as a staff we have found those meetings very helpful to us in terms of getting some input from people outside government in relation to these various topics.

Mr. Singer: Mr. Chairman, I hate to destroy the peaceful atmosphere that's existed here all afternoon.

Mr. Chairman: It's been too quiet.

Mr. Singer: My thesis was, in past years and is again this afternoon, this is a useless ministry and should be done away with. The \$400,000-odd in here could be better spent in the individual departments. There's very little I've heard and I've listened—the chairman said I was very quiet, I was listening this afternoon for a change—to try and figure out what was being done here that wasn't being done in the various departments.

For instance, when we talk about juvenile offenders, I wonder what Mrs. Birch was doing all summer. She was trotting about being betrayed by the Minister of Correctional Services (Mr. J. R. Smith), but she was doing the same kind of thing.

Mrs. Campbell: Not all summer.

Mr. Singer: I'm not quite sure where the line begins and where the line ends. I look at this list here of matters that are discussed by the justice committee. My eye was caught by item 12, The Marriageable Act. I don't know what The Marriageable Act is; I don't know that we have such a statute. I think we have something called The Marriage Act, but I don't know when it got to be "marriageable" or if there is a new theory in law about marriageability. Maybe there is, but I wonder why the justice policy people are concerned about what a cabinet committee does.

We have a system in our caucus, and I would presume the cabinet has a system, where you strike off individual committees to deal with individual fields of concern. Is the purpose of this paper to indicate to us that the items considered by the cabinet committee involved a very substantial input from the secretariat? Did the secretariat have something substantial to do with The Blind Persons' Rights Act, or with Sunday observance? The Solicitor General (Mr. MacBeth), wearing his other hat, had a great deal to do with The Sunday Observance Act, but I doubt very much if it came out of the secretariat.

Consumer products warranties—Mr. Handleman had a great deal to do with that and Mr. Young, his deputy, had a great deal to do with that. Do you people duplicate it? What really is the purpose? The estates package—there's a fellow around named Roy McMurtry who has been issuing bulletins day by day about what he is doing and about what great things the Law Reform Commission is reporting. I would imagine that our Roy would be very unhappy if the secretariat was telling him how to go about his business. Roy believes he knows how to go about his business and he's not bashful about saying so and sometimes he's right, too.

[5:15]

The motor vehicle accident claims fund—it's very nice to put that on the list. There have been a lot of people who have been considering it. But what does the justice secretariat have to say or think or do about the motor vehicle accident claims fund? Maybe it's a good topic for discussion among members of the cabinet, but are these supposed to be a list of projects? There are two lists here: "Representative items considered by the cabinet committee on justice legislation and subsequently developed." They're developed by whom? I would imagine they're developed by the individual ministries.

Development of the Motor Vehicle Accident Claims Fund was an arbitrary decision, as I'm aware of it, in the minister's mind to increase the maximum pay out from \$50,000 to \$100,000, and to increase the minimum limits of insurance policies from \$50,000 to \$100,000, while our select committee is going along the same line and, hopefully, will have a rather far reaching development of this idea which we're going to include in several pages of recommendation. What the recommendation is going to be, I don't know; but the development certainly wasn't with the secretariat, and I know Mr. Handleman and I have talked about this.

The development was that Mr. Handleman was bridling under the criticism his department was getting, over this young girl particularly, the one in Ottawa who was very badly injured and got a huge judgement which was never going to be paid, and all she was going to get was \$50,000 out of the Motor Vehicle Accident Claims Fund. There was no development in the secretariat.

This list of 13 things on one page and 18 on the other, includes courts administration. The Attorney General is very proud of that white paper he presented on how courts administration is going to be changed. Are you suggesting that the secretariat did that?

I'm sure the Attorney General's people, when they came to their conclusions and brought forward their package, went to the cabinet and said, "Here's what we're thinking of. What do you think, fellows?" I'm sure that it met with reasonable pleasure and then it was announced as policy. For those purposes, if you look through these various budgets, each department has substantial money in it for its own kind of investigation and programme development.

Look at the Attorney General's estimates: policy development, item 3, vote 1201, \$428,-100; law research, Ontario Law Reform Commission—they're constantly churning things out—\$476,700. That's just one department. Consumer and Commercial Relations, vote 131, management secretariat, \$761,600. It seems to me, as we've gone after that fund, the minister of the day who's been responsible for that has said, "Well, we've got to do research. We've got to figure out what we're doing." Mr. Young and Mr. Handleman, in recent days, have said, "Sure, we need that money." It didn't sit lightly or even obviously in the mouths of any of the committee members to say "Handleman, you shouldn't do any research." Sure you should, you should think about things like rent control. Then to put out a piece of paper like this that would give the impression, without saying so, that all of these ideas come out of the justice police committee.

What are your thoughts on gun control? Very interesting, I don't know if you saw this clipping but there's a chap named Philip J. Ambrose who is the sheriff of the judicial district of York, and on Tuesday of last week Mr. Ambrose was selling by auction one Winchester model 94 .32-calibre lever action rifle; one Remington Sportsman model 58 12-gauge repeater action shotgun; one Cooley model 840 12-gauge full-choke single-shot shotgun; one Browning .38-calibre semi-automatic pistol with clip and case; one Luger Mark 1 .22-calibre semi-automatic pistol with clip and case, and one hunting knife. I would have wondered if some of the policy people couldn't have spoken to their friend, the sheriff of the judicial district of York and said, "If we're interested in gun control maybe we should start with the sheriff who's selling these seized weapons by public auction."

You've got that down on your list. What are your views about gun control? What are your views about the sheriff holding public auctions?

I notice, not in your reaction to but in comments about gun control, you're explain-

ing the federal peace and security legislation and the explanation is, every person in possession of any firearm or ammunition will require a licence, that the licence be valid and so on, and there's growing concern about the increase in crime and incidents involving the use of firearms. Is that your feeling or is that just an analysis of a statute that the federal government has introduced? If it is your feeling, surely one should look to what the sheriff of the judicial district of York is doing.

I suppose he's doing it because he's compelled to do it. I don't think Mr. Ambrose invents all these things on his own, and somewhere along the line he gets a stock of weapons that have been seized and he's bound by law probably, or by somebody's instruction, to go out and sell them, so he advertises an auction sale. I don't criticize him, but I criticize the people who set up these rules and regulations that allow this to be done, without any safeguards that I know of. There is Mr. Ambrose selling all these weapons.

Mrs. Campbell: Without ammunition?

Mr. Singer: I don't know. Now, this thing about alcoholism. I've been here a long time, probably too long, and I have yet to hear an Attorney General of the day who hasn't got his own scheme for looking after the people who drink too much. They've come and they've gone, and we've had detoxification centres and we've had education programmes and on and on and on. Unfortunately, it's a disease of our society and not too many of them seem to work. But we have the Alcoholic Research Foundation and we have the Attorney General (Mr. McMurtry) and his predecessors going back for the 15 or 18 years I've been here, all of whom have been wrestling with this. Now is it reasonable and logical to expect that this lady—I've forgotten her name, I'm sorry—all by herself and as capable as she is, is going to come out with a plan and a scheme that has baffled, lo, these many Attorneys General for, lo, these many years, and without any money to do it? If she can do it she should be in charge of the Attorney General's department, not just a researcher in the justice secretariat.

I get very unhappy, Mr. Chairman, as I sit here and listen to the secretariat estimates, because I can't honestly figure out what the secretariat is supposed to do. It seems to me that it's a make-work effort. You got into it because of recommendations of management consultants, and somewhere along the line somebody said, "That's a great idea. We'll

have four of them," and you divided everything up.

Gillian wanted to know how it was that Consumer and Commercial Relations found its way in there. You had to throw it somewhere and it really didn't matter, and there it is. They had four columns, and the idea was originally not to have a secretary of a field have a responsibility for anything else. That didn't work too well, particularly when Darcy became the Treasurer. He wasn't going to have any secretary running around telling him what to do, so Darcy became the secretary of the field as well as the Treasurer of the province of Ontario so that he could control his whole field of responsibility.

Mr. Roy: The same with Bob Welch.

Mr. Singer: Oh yes, Welch couldn't stand it. He started off as Provincial Secretary for Justice and it goes on down the many years. I suppose this minister, who is the Provincial Secretary for Justice in addition to being the Solicitor General, is, as he says, a very busy man who can't get to these luncheons, who really hasn't got too much time in a whole bunch of these responsibilities because he is the Solicitor General, and he has a full-time job looking after the police of the province. My colleague from Ottawa is very concerned about why the OPP were wire-tapping communications between a solicitor and a client, and I suspect that that's going to cause the minister some great concern in the next few days, as well it should, because the OPP is his police force.

Along the line, at what stage in time are you supposed to direct justice policy, and who are you really directing? Are you directing Handleman? I would be surprised. Are you really directing McMurtry? Now, nobody directs McMurtry, the McMurtry that we've seen around here in the last year. Maybe Smith does need direction, but Margaret Birch is trying her best and she's being betrayed.

I just think that this vote should be reduced to the sum of \$1 and the very good people who are trying to do a good job without any terms of reference, without any clear responsibility and without any money to do it, should go back into the department whence they came where their great experience and their great ability would add very much to the usefulness of research in those particular departments. I don't understand how this overall joining together ever was supposed to work.

It's a little confusing about section 8 and section 9. I think the minister said, "I hope section 8 will be repealed." It has already been repealed. The repeal of it just hasn't been proclaimed yet, but I wonder really about what Dr. Crittenden would have to say about the justice policy field telling her how to go about running her department? She's a very able deputy minister and very jealous of her prerogatives and I would wonder how somebody particularly from another field would be able to suggest to her or push her along the line of taking a particular kind of action.

It is a very difficult complication that you people are apparently taking on. Listen as I may and wonder as I do, I don't know what you have done and I don't know what you've done over the last year. Distributed a book on justice policy in Ontario; well, I think that's good and I think it could equally well be done by the Attorney General who makes speeches, who is recognized throughout the province as the spokesman for justice policy. He's the one who comes in and says here's a new policy for families, here's a new policy for common-law unions, here's a new policy for wills, here's a new policy for administration of the courts. The only thing he hasn't said—and I think he's wise in not saying it—is, he hasn't dealt with a new policy for police and I think that's the responsibility of the Solicitor General and the Solicitor General should be saying that.

I could go on at some substantial length as I look through some of these pieces of paper here and be critical and be negative. The point I've made many years in a row since the secretariats were here—I would say that this secretariat has long outlived its usefulness, that the money that is available to it now should be distributed in whatever appropriate fashion it is determined that it need be among the various departments.

Mr. McMurtry has told us, for instance, that he'd loved to raise jurors' fees if he only had more money, that the county court of the judicial district of York is in great chaos because they haven't got enough room. I'm sure he could use a dollar or two down there to improve things at the city hall and perhaps get a little more room and perhaps build an extra wing on 145 Queen Street.

If any of you gentlemen are familiar at all with what's going on in that county court administration, you would recognize that the pleas that are coming out of there—not too quietly now—are well-founded. The County

of York Law Society, in announcing its dinner for next week, has urged all its members—I'm sure the Solicitor General got one, I'm sure the chairman got a letter this morning saying, "Join in and send a petition to somebody"—I guess it's to the Attorney General, not to the Secretary for Justice—"saying, 'Give us some more money so that we can get along a little better with the administration of justice.'"

These are things I think you should be turning your attention to. I genuinely feel it is a terrible waste of public resources to take able people and lead them to believe that they are changing the course of administration of justice or doing something in the justice policy field. Certainly sitting as a member where I do and where I have done for a number of years, if I feel there's something wrong in the way our prison system is being run, the one I'm to complain to has to be the minister in charge.

[5:30]

Sure, we ask the Secretary of Justice questions in the general field when we can't find our target, when our target is out to lunch or at a meeting. He's sort of the fill-in question recipient because he happens to be there and he's a good attendant in the House, but you'll get a much more sensible answer—you should—out of the minister responsible.

Mrs. Campbell: I wouldn't say that.

Mr. Singer: Well, you should.

Mrs. Campbell: That was unfortunate.

Mr. Singer: For the life of me, I can't see the usefulness in voting year after year a sum like a half a million dollars, a shade less than that this year. In saying this, I don't criticize or demean the ability and the intelligence of the civil service of this department. The ones I know and the ones I've dealt with are capable people, but I think they could be much better employed in the operating departments. It's been a fine experiment and let's admit that the secretariat system doesn't work and let's do away with it.

Mr. Chairman: A reply?

Hon. Mr. MacBeth: Yes, Mr. Chairman, I will certainly take some time to attempt to reply, although knowing Mr. Singer's year-after-year criticism of the existence of the justice policy secretariat, I didn't expect him to be changed simply because I happen to be the minister at the present time. Maybe he's more confirmed than ever that his

opinion—an opinion which he's held for so many years—is reaffirmed.

However, I do believe that the secretariat does form a useful service to the government of this province. You're quite right when you talk about each minister being responsible for his own ministry and the secretariat was never formed to be a minister who was to give directions to the various operating ministries within that policy field and I know that you know that. Mr. McMurtry, as Attorney General, is the one who brings in the legislation that deals with most legal concepts and you're talking about family law and the laws that the lawyers work with on a day-by-day basis. As the chief law officer of the Crown, he's the one who gives legal opinions and things of that nature.

The secretariat is a committee of the cabinet and attempts to work as such. In other words, instead of discussing all of these proposed laws at cabinet level, they would be first analysed and dissected by other people who have common interests and maybe common backgrounds and try to help in that way.

So when you look at the number of bills that have been introduced and say, yes, that came from the Attorney General or the Minister of Correctional Services, you're quite correct and it was not intended that it should be otherwise. But when we have listed these here, it means that they were brought before the cabinet committee on justice, that we reviewed them at that level and made certain suggestions to them. Some of those suggestions were then passed on to cabinet and those suggestions adopted.

Now for instance, I'm now talking as Solicitor General—with the citizens' complaint bill, it's now in draft form. It's going back to the justice policy field this Thursday and at that point it will have the advantage of being reviewed by the Attorney General and he has some—

Mr. Singer: Could I interrupt you and ask you a question there?

Hon. Mr. MacBeth: Yes.

Mr. Singer: Did I understand you correctly when you said a committee of cabinet is the justice policy secretariat?

Hon. Mr. MacBeth: Yes; these policy fields operate as a committee of the cabinet. That's my understanding of them. In other words, instead of having the full cabinet sit down and review—I don't mean that there's not discussion of these again when they get back

to cabinet—but instead of having the cabinet review all of the bills from the social development field or the natural resources development field or the resource development field, they are dealt with in the policy fields by ministers who have some common interests or some overlapping and then they go on from there as recommendations to the cabinet where they may be reviewed again.

Mr. Singer: I'm sorry, I don't want to interrupt you, but I said I thought that was a great idea to have committees of the cabinet deal with particular matters as our caucus has committees of our caucus and I presume the NDP caucus does too. When they've evolved some particular approach, they bring it to their whole caucus or when the Justice committee evolves something they bring it to the whole cabinet. What concerns me is not the committee system in the cabinet, but the \$500,000 backup.

Hon. Mr. MacBeth: All right, we come to that, but in the process the staff may make certain decisions. Mr. Sinclair has a pretty good background and knowledge and has now a pretty learned and able staff. They may make some comments in regard to this, too, but it is also for the airing of the ministers and the deputy ministers who attend, or generally the people who attend regularly and who are entitled to be there. These are the ministers, the deputy ministers and the parliamentary assistants.

From time to time there are other members of staff who come in, but you have a pretty able group there who have not only some political knowledge but some working knowledge, for instance, in this field. We'll get Roy there who has a pretty good knowledge of the law, and I know that he will have some good comments, good suggestions to make in connection with a citizen's complaint. That will be discussed, I expect, next Thursday and then I hope to go on from there to cabinet and it will be adopted.

Mr. Singer: You make my point, then.

Hon. Mr. MacBeth: All right. That's what the policy field does and, of course, the staff, Mr. Sinclair, the deputy and his staff—put our agenda together and there will be a number of items on that. Mr. Sinclair is an active participant in discussions at that level. Then it will go on to cabinet from there. These are some of the things that we've discussed at the justice policy field. We've reviewed the inheritance bills, what I refer to The Devolution of Estates Act, something in the field that I used to practise law. I

had some comments to make and a few changes were made as a result of those comments along the line. So it functions in that way, but also—and this is where I've turned to Mr. Sinclair so often in these estimates—it also requires some ivory tower thinking.

When the ivory tower is through, they present their papers to the policy field and, as I say, I regret it and I do make excuses for it. I wish I was at more of these ivory tower sessions that the staff have, but they consult with other people in the field, as Mr. Sinclair said, and they are dealing with some of the more nebulous things, some that are hard to get your teeth into. Alcohol is one of them; we keep hoping and we're optimistic enough to think that we'll come up with something that will improve the alcohol problem across the province, seeing what they're doing in other jurisdictions.

I hope we can improve it, but this is the sort of research and investigation that the staff are doing and I do think that they do perform a very valuable function and a very valuable role there. So, there is the research that goes on, admittedly, it's at staff level, not so much as at the minister's level as I would like, but still the ministers do sit in when these various papers are being reviewed. I think, for \$500,000—and I don't want to be talking as though that's not a lot of money—a valuable service is performed both in co-ordinating legislation and doing some of this more abstract research we talked about.

The Blind Persons Act—we had quite a discussion of that in the policy field. As a matter of fact, I think it was the policy field that pushed that a little bit with the Attorney General and said: "Let's get ahead with that." The Sunday observance law did have a great airing in the justice policy field. As I say, I know that I took part in the estate package.

You asked me about gun control. Here's an anomaly that we should be selling guns at the same time as we're saying here, "Put them under control." At the same time we've got to live with the laws that are presently in existence.

Mr. Singer: You can initiate a discussion about changing them, making adjustments.

Hon. Mr. MacBeth: We have. We've had great discussions in the justice policy field, and as you know, this government was urging that if the federal government didn't get into the gun control legislation, we would. We're quite happy to see the federal govern-

ment get into it and we hope they will press on with their legislation although as you know it's turned out to be a pretty hot issue. They are taking a lot of the abuse on it that I suppose we would have been taking if we had gone ahead with it, but we think that there is a necessity for some kind of gun control and if that gun control legislation was in effect, the sheriff might still be selling the kind of guns that you are talking about.

I don't know whether he would be selling the Luger or not, but I think the ones that you mentioned for the most part were hunting rifles and there's no thought of trying to stop hunting through gun control but just do your best to make sure that guns get into the hands of people who know what they are all about and that they are not buying them on the spur of the moment without understanding the dangers that go with gun ownership.

I know that's no answer for our good friend, who has been after this policy field so long, but Mr. Sinclair has passed me a little note that he thinks that he can make up for all my deficiencies in explaining what we do. He says: "Could I say a word on the staff role?" The floor is yours.

Mr. Sinclair: It was only to clarify one thing. Mr. Singer picked up a point about the confusion in regard to the secretariat and cabinet committee and certainly the two are quite distinct. The only thing I would like to add, if I may, is on the two lists that you saw in front of you, sir. One is a representative list of things that have come forward. None of these was prepared by the secretariat. They were prepared by the individual ministries.

The usual process is that these submissions come in to us about 10 days before the cabinet committee and they are analysed by our staff, and I think we can boast a pretty fair batting record in terms of drawing attention to certain anomalies or certain what we consider to be weaknesses in a piece of legislation. Then these are discussed by the ministers at the Thursday morning meeting and the issues that we raised in regard to a particular piece of legislation are either incorporated or thrown out. That is the staff role, and as I said earlier, the two papers I circulated were just examples of the kind of analysis that is done.

Certainly the analysis would not be as lengthy in terms of say The Blind Persons' Rights Act as it would be in terms of peace and security, because there are many more issues in connection with the latter than the

former. The second page of items there, again, were representative samples of items that were on the agenda for the policy field. They were not on the agenda with a view to legislation but rather as discussion items as to directions that the government might take in the future when it came around to developing legislation for those particular items.

Mr. Singer: Mr. Chairman, could I come back and try to emphasize some of these things that I have been talking about? The minister mentioned the citizen complaint bureau. I know the minister has spent a lot of time in his capacity as Solicitor General on this. I know there are a lot of people who are concerned about it. There is the report of Mr. Justice Morand, there is Arthur Maloney's report and there has been a great deal of study go on within the ministry, not the secretariat but in the ministry. There are views held by a lot of people. There has been a lot of news writing about it, editorial comment, articles and so on. The police association has very definite views as to how it should go, the Civil Liberties Association and on and on.

I would think it reasonable, if the minister was going to put forward legislation, that he and his officials would have made themselves as familiar with all of the comments that were available before they brought before the cabinet committee a bill that they wanted to introduce. By the same token, having done that, then he would be talking to people like the Attorney General, who he said would be very helpful in this, the Attorney General's deputy and officials in that department and some of the other departments.

I wonder, over and above that particular expertise and the great kind of time that has been put in and the great research and so on—the minister doesn't do this lightly; it's a tough thorny problem—what usefulness a secretariat of six or eight or 10 people has in analysing and second guessing what the ministry has done? Sure, take it before your cabinet colleagues and committee first, and let all the people concerned with the administration of justice kick it around and see if it can't be improved.

[5:45]

But I would think that once it comes out of the Solicitor General's department and into the Attorney General's department, I am sure that Mr. McMurtry by himself would not say, "I know all the answers, I am not going to show it to you, deputy, or to my assistant deputies," he passes it around

through his department. You have got people in two major operating departments who are going to have a pretty darn close look at that bill, because you will have people like Roy, Margaret Campbell, me and others, the NDP, the official Opposition, the press, all these people just waiting to pounce on you if they think there is something obviously wrong.

I would be surprised if you bring something like that before the cabinet until you and your department and your people were fully satisfied with it. Where, then is the role of the civil service or the secretariat in that kind of piece of legislation?

Take the next one. The minister says when he was in practice he did quite a bit of estate work and he is familiar with some of the problems there, and he has seen part of the package that the Attorney General has brought forward. From his own personal knowledge in practice, he would be able to talk about it. I am sure he would pass it through the hands of whatever officials he has. There are very few legal people in the secretariat, two out of 12, and if they're going to sit and marshal opinion about as complicated a package as that—

Let me tell you what Al Roy and I did about The Succession Duty Act. We sought the opinion of the people downtown, the people who practise in this, and there's a committee of the Canadian Bar Association, headed by Malcolm Archibald of Weir Foulds, and it goes on through representatives of the largest legal firms practising in the province of Ontario and they're specialists in this field of law, and they have come forward with a 17-page critique of that statute.

I would be very surprised if, over and beyond what has come out of the Attorney General's own office, with the advice and consultation of the Law Reform Commission, and whatever the cabinet committee turns out and whatever this committee of the Canadian Bar Association turns out, that the civil service of the Law Reform Commission is going to really be au fait with what is being discussed. Again without criticizing them, it's a very highly specialized technical field. You have got to take these fellows into consideration. You know most of them, Roy and I know them. They had many meetings figuring out what they should do. Questions they pose are very fascinating. I would be surprised if those would come out of a civil servant who isn't trained in dealing with day-to-day legal matters.

This is why I question the usefulness of the secretariat, and then I see this overlapping again. As I say, Margaret Birch, as I understand it, spent her whole summer trotting around the province looking at these institutions. She and Mr. Smith weren't quite sure what each was supposed to be doing and I gather didn't communicate very well. Now I find that this secretariat is doing it too.

Mr. Sinclair: Doing what, sir?

Mr. Singer: Looking into the problem of the treatment of juvenile offenders. Wasn't that what—

Mr. Sinclair: Excuse me, Mr. Singer. The only mention that we have made here is that we were asked to respond to the draft legislation that the federal government proposed.

Mr. Singer: And in so doing, you were concerned with what causes juvenile offenders to be juvenile offenders and that sort of thing. I say if it's already being done in a couple of other departments, and it's fine that somebody else is doing it, how many opinions do we need on that kind of a thing when there are already operating departments to do it?

I suppose anything else I am going to say is repetition but I am not convinced, either by Mr. Sinclair's elaboration, or by the minister's comments. I would think this money could be much better used by being allocated among the operating departments and that the staff, capable people that they are, should be allocated among the operating departments and in that way we could get on with the business of the administration of justice in a more efficient way.

Mrs. Campbell: I have been very interested in this entire discussion because I think a great deal which has been said really proves the point Mr. Singer is making.

For example, we have been discussing the question of child abuse. You have discussed this from the point of view of the coroner, and from the point of view of the courts but I don't know whether you are aware of the fact—nobody has indicated it—that ComSoc has allocated funds in a very scattered, spattered, way to try to deal with the question of child abuse.

One of the things you do with this kind of an operation is really dissipate the effectiveness of what anybody is doing in the field. ComSoc has given this money, in pieces here and there and, I think, rather

poetically, to Children's Aid Societies; to planned parenthood societies; and others to get on with child abuse or stopping it or something. It's not quite clear but I assume they want to stop it.

Meanwhile, at the Sick Children's Hospital for some appreciable period of time, you've had people working on a project, unfunded by the government, developing the Denver module which seems to be a rather effective way of dealing with the situation; which seems to be able to produce diagnosis; which seems to be able to encourage people within a community to understand what happens in a family when this is taking place; which develops people with some training to be able to diagnose the timing of this particular situation and the rest of it.

We dissipate it and we sit here. We have a secretariat and they are talking to Cotnam and somebody else is talking to somebody else. How do you ever expect to get through to the root of this very serious problem when you are playing games with it from one particular area to another? The whole fact of having these secretariats, I submit to you, is to psych these various things into separate fields so nobody is going to really come to grips with it. It bothers me.

This is too serious an area for us to be romping around in this fashion. Child abuse has been before us—certainly in this House—and we in the opposition have been urging something be done by every ministry practically because we treated it seriously but you have had the effect of dissipating the concerns and any approaches to it.

You've talked about the matter of the citizens' complaint bureau, committee or whatever. In 1969, a committee was formed in Metropolitan Toronto to deal with this very fact. It occurred to me that if this secretariat at any point along the way was doing any thinking it should have looked at what was happening and what people were saying in a major metropolitan area.

It is a fact that the committee was formed and the committee asked that Metro seek legislation to bring this about. I happened to be on that committee. I happened to have been the moving force to get the committee formed. It's a fact that Metro turned that down but to any thinking person here it should have been pretty apparent that it was going to come forward again—and it was going to come forward again and again. One of the things that disturbed me was when the minister himself spoke—at this point I don't know whether he spoke as Solicitor

General or as the Provincial Secretary for Justice. When he spoke in the House, with the greatest respect, I think he missed the entire point because he was talking about having Attorneys General and all these other people involved.

The whole point we were making at that time, and the point most of us still believe in, is that there ought to be a complaint bureau for two reasons. First, so that citizens could have recourse when they felt they were mistreated. Secondly, so that it could be a learning process for the citizen to understand the problems of police in a major city. It needs that dual role but nothing came until there were screams and I wonder if we've heard anything more.

What does this secretariat have to say about its position, as a policy ministry, about retaining judges on police commissions? Have you anything in this material to indicate you've looked at that? It might properly be within your prerogative. I don't see it.

I suppose that's because it would come under the Solicitor General and the Solicitor General has a little dichotomy within himself on this one. The secretariat doesn't deal with this and neither does the Solicitor General.

We've talked about alcoholism and I have not heard a word about this committee's involvement with any of the skid row committee reports which come out of my riding. It seems to me everything comes out of my riding sooner or later. Here are people who are the ones who've used the services, if you like.

What are they saying? They're saying, "You promised us that we'd have detox centres. You promised us that there would be some element of mandatory time in these detox centres. You promised us that there would be backup halfway houses for when we got out." Of course, we didn't put the halfway houses together and the detox centres in such great demand that nobody can stay there long enough really to begin a process. It's just a drying-out situation.

These people have been saying loudly and clearly to me, "We'd rather go back to jail

because we get dried out and we get fed for a longer period of time." Is this an indictment of this secretariat? Is it an indictment of the justice of this province? By having the secretariat, nobody quite knows who's to blame for the fact that we've broken this whole thing down.

It's true that other ministries are involved with the detox centres, and somebody else with the halfway houses. Again, by having a secretariat of this nature and having these splits we don't really have to look at this other thing because the social development field will take it on. People are falling between the two areas.

I notice you've talked about the group homes and you've related your experience with the native peoples. I don't know how many times I have said to Mr. Brunelle and others, "You keep on talking about the Indians in our community but you seem to ignore the fact that there is a need for justice to the native people who are in Toronto. They're not all in Thunder Bay."

Interjection.

Mrs. Campbell: You have to look at the injustices to these people in our court system, because the judges can't find placement for these children, if need be, where they have some kind of contact with their own culture. What is coming out of this secretariat about that kind of justice? Nothing. Simply, utterly—with respect—nothing.

I see that the time is up but, Mr. Chairman, I don't want to transgress. May I at least be noted as perhaps having an opportunity tomorrow?

Mr. Chairman: Thank you. You will be first on the list. I think the next time we can meet is 10:30 on Wednesday morning.

Mrs. Campbell: Oh, 10:30 Wednesday morning, I'm sorry.

Mr. Chairman: We go on in the House tomorrow on the family bills.

The committee adjourned at 6 p.m.

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Lambert, Mrs. L., Policy Development Office

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SUPPLY COMMITTEE-1

ESTIMATES, MINISTRY OF
ENERGY

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, November 16, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

TUESDAY, NOVEMBER 16, 1976

The committee met at 3:05 p.m.

ESTIMATES, MINISTRY OF ENERGY (continued)

On vote 1801, ministry administration programme:

Mr. Chairman: The minister has some comments, followed by Mr. Burr.

Mr. Reed: Mr. Chairman, on a point of order, I believe the minister had not concluded his initial comments on the opening scenario. There were a couple of questions I remember that I had asked and I am sure he was prepared to answer them yesterday. Are we intending to proceed with that?

Hon. Mr. Timbrell: I was just going over my notes to see what I did or didn't cover. The first point I wanted to pick up on from yesterday was a point made by Mr. Reed, that is the suggestion of Ontario's self-sufficiency in matters of energy.

I was intrigued by the notion, and it's obviously something we could go into at great length at some other point, but it seems to me that when you look at the energy supplies to Ontario, first of all that 80 per cent which we do import is basically all oil, natural gas and coal. We presently import about three per cent of our electricity and, with those contracts with Quebec and Manitoba going out next year, the prospects for future contracts aren't that promising.

Within the province we do produce about one per cent, roughly, give or take a point or two of a percentage point, of our oil and our natural gas. We don't have any major coal deposits, other than the Onakawana lignite site which is becoming increasingly more potentially viable, if I can put it in that rather awkward way. Given the increases in other fuel costs, it seems that that site will become viable in the years ahead. Then there's uranium and hydraulic sites, of which all of the more economically feasible have been developed at this point; others may be developed in the years ahead, depending on the conclusions arrived at by

the royal commission and the government, and following on those recommendations, and the environmental and economic feasibility, that decision might be taken at any given point in time.

Basically, if this province were as a province to become self-sufficient in energy terms, it would have to be through the electrical utility and through alternate energy forms. Unfortunately, it doesn't seem that we have any reason to be more than, well not even slightly optimistic about our prospects to be self-sufficient in oil and natural gas. It seems to be totally beyond question that we would have to look to our electrical system.

I think, though, that we might later on get into a discussion of our needs and our situation as it relates to the national energy supply and demand situation. There, I think, with some not insignificant shifts in emphasis and priority at the national level, we could go a long way to restoring what we once had, namely national energy self-sufficiency.

I am speaking primarily of giving an emphasis, which is not there now, and a priority to the development of the tar sands in Alberta, as a source of oil which is admittedly expensive. But it is Canadian and whatever capital will be required, and I don't for one moment underestimate the fact that it would be very large amounts of capital, at least that capital would be in Canada. It would be producing Canadian goods and services to develop those projects, to put them in place, rather than increasing amounts of money leaving this country to pay for imported oil. And that latter is growing every year, unfortunately. We may perhaps get into that further at some later point in the estimates.

Mr. Reed: Mr. Minister, I think with due respect, my reference to self-sufficiency was made in—and I am not trying to qualify myself either into or out of credibility—was made regarding the development of new technology as the cost of traditional sources of energy increased. That would place increasing validity on the development of other technologies. I think I referred to the fact that we will be attending a methanol

symposium on Friday. There is also the business of the watts-from-waste programme. It has been estimated in the United States—here again I am using American figures—but approximately 10 per cent of the energy requirement, electrical requirement, could really be generated from combustible garbage, which is a logical outgrowth of our growth if you like. That is not to say that we are going to turn 40 million acres into methanol production in the next five years, or that we are going to have 55 garbage generators in Ontario within five years. But the fact is, as the cost of traditional forms of energy increases, these alternates take on increased validity.

Hon. Mr. Timbrell: There is no question there. The interest and the activity in the areas of solar heating and windpower, for instance, are good examples of that. Twenty or 25 years ago very few people could even be remotely interested, simply because of the fact that prices were so low and stayed so low as incomes and productivity increased. Unquestionably this is a positive outgrowth of the energy situation in the 1970s, the increasing interest and involvement in these areas.

You mention the use of municipal waste for the production of electricity. At this point it is all estimates. There are some plants, as you know, in production now. A year-and-a-half ago I visited the Edmonton transfer station, for instance, in London, England. It has been in operation now for about five years, with all kinds of problems. They burn the waste from an area not unlike Metropolitan Toronto in terms of population, yet they only produce 17 megawatts of power. Obviously, that is not a design we want to look at. Seventeen megawatts of power wouldn't be that much of a contribution to the system. So we have to be looking for something with a higher output than that.

[3:15]

The watts-from-waste programme we are trying to get into operation the next couple of years. That will be our first major entry into the field, and God willing it won't be the last. We will be able to learn from that, take it further and develop this alternative fuel for Ontario and, at the same time, solve a few other problems, such as what do you do with all the municipal waste? But it's not likely it is going to solve all our problems.

Mr. Reed: I couldn't agree with you more. The watts-from-waste programme is very valid. Sometimes I wonder what's become of it in the last year or so, because we don't really hear much about its development. As

a matter of fact, one of the comments one could make about the watts-from-waste programme is the slowness of it to really get under way. I think we were told last spring that once it is under way—and if, in fact, it is by 1980—it will still only have the capability of consuming 15 per cent of Metro Toronto's combustible garbage.

Hon. Mr. Timbrell: I think even that figure might be a little high. Isn't it more like five per cent?

Mr. Reed: That was given to us in the select committee, and I may be in error—

Hon. Mr. Timbrell: I'm advised it is 15 per cent; your memory is better than mine. But is is proceeding between the municipality and Hydro—and Environment is involved, of course—and we hope it can be put in place within the next couple of years. It's a matter of negotiating such things as the price of trucking and so on to get it in place. Notwithstanding, it would seem to be possible to have it in place by early 1979.

We are breaking new ground—there's no question about that—in terms of the involvement of the municipality, Hydro and the provincial government in getting it off the ground. This goes back to 1973, when the then Minister of the Environment (Mr. Kerr), who is now Minister of the Environment as well, worked with Hydro to get the project off the ground at the time and Hydro reported to him.

There have been extensive grants, involving \$3.5 million to Hydro and \$1.5 million to Metro. The processing plant will cost \$11.5 million. Hydro, Metro and the province did reach agreement in 1975, as I think I indicated earlier, and it looks like it will be a little over two years before we will see it in place. It is proceeding, albeit probably more slowly than you or I would like, but it is definitely on course.

Mr. Reed: I hold out great hope for that kind of approach to the reclamation of waste, for a whole lot of reasons; I would urge the ministry, if it is not a top priority at the moment, to raise its priority to bring this on stream at the soonest possible moment.

Hon. Mr. Timbrell: I can assure the member that it is a top priority with the government and with Hydro. As I said, the agreement was finally reached about a year ago, and they are progressing on the design of the processing plant. As far as I know, they haven't let any tenders yet, have they?

Dr. Higgin: The latest information I have is that the Disco Road plant, which will be

both a transfer plant and a waste processing plant to produce the fuel fraction, has just been the subject of a preliminary Environmental Hearing Board review. This is the first phase of getting into public hearings on the siting and so on of this plant; and that process, which of course involves public participation, is scheduled to last about another six months before that part of it will be completed. The design of the facilities is going ahead at a good pace as far as I know, and the projected start-up date is still held at late fall 1978. That's the latest I have on it.

Mr. Reed: Thanks.

Hon. Mr. Timbrell: Yesterday you made the point that Hydro and, presumably, the Ministry of Energy, too, should be sending out information to the public on some specifics—I'm trying to remember the litany of all the things—I wonder if Dr. Rowe could perhaps go over some of the things we have done to inform the public of some of the things that can be done. Is Mr. Wright here from Hydro?

Dr. Rowe: Hal isn't here but Harold West can step in.

Hon. Mr. Timbrell: Okay, we'll give you the two sides of it—what both Hydro and the ministry are doing to inform the public about energy conservation, if you will, tips, practical advice as to what they can do.

Dr. Rowe: I think, Mr. Chairman, the questioning of the hon. members here is very similar to the kind of questions we get from the public. This is one of the reasons we commissioned and developed the black booklet which I believe was circulated to the members; is that true, Mr. Minister?

Hon. Mr. Timbrell: It was supposed to be. Was it not distributed? Or are they still there?

Mr. Reed: What does it—what did it contain?

Hon. Mr. Timbrell: We'll check that when the committee gets back. They were to have been distributed.

Dr. Rowe: On the whole—let me back up a moment. As you probably appreciate, in the energy conservation area we have first addressed our attention to government buildings and industry and so on. That's where we felt there was an immediate need with a quick payback.

In this particular area, last year we developed and we've been using through this year,

pamphlets and booklets and so on, for the use of industrial people on how to set up an energy management programme, who should be in it, what you should expect to do with it, energy audits, and so on. In the residential consumer area we have just felt this year that we are ready to move into this particular area. Through Energy Conservation Week and events leading up to it, we prepared the booklet, *The Choice is Yours*, which has been very well received, I think, right around the province, along with some of the supporting media materials that have gone out on how the householder can save energy.

I am pleased to see by the results which have come back to us in news clippings and so on that it is being read and well received and, hopefully, is actually being applied.

Dr. Higgin mentioned yesterday that we are in the process of developing a solar booklet, the purpose of which is to steer people in the right direction and to get them to ask the right kind of questions as to what is available and how it may apply in their particular place, their particular position.

As the minister announced in the House, we have now received the necessary level of funding for next year to enter into a much wider awareness advocacy programme, again in the private sector. One of the instruments of this will be the thermography programme which, again, has been receiving extensive publicity through the media. We have asked for and are hoping to receive—I think the evidence is there that we will receive—quite a bit of sensibly free and public support via citizen groups and so on to translate the technology of heat loss of buildings right through to the individual. We are in the process of developing the methodology so that we'll be able to take infrared photographs and have them interpreted for individuals.

The directive that was approved by cabinet and announced also permits us to set up an information office within the Ministry of Energy. The purpose of this office would be to handle the ever-increasing quantity of letters and phone calls we receive of a kind of fundamental nature: "What do I do about this kind of installation? I have a house with sawdust in the attic or something. What should I do?"; or "I have a condensation problem," and so on. Where possible we try to steer people to those who have the expertise in the private sector but quite often they need to know that somebody without any vested interest can give them advice. We

are, again, moving into this particular area, responding to a need.

Mr. Reed: When you're getting into dissemination of information, does your programme extend beyond your own ministry? In other words, are you making use now, for instance, of the offices of the agricultural representatives or of the members of Parliament and so on? Are you making use of bookstores and whatever in order to get this information to the public? Or is that in your plans?

Dr. Rowe: We make use of the government bookstore. There are many vehicles such as the Guelph University news bulletin—we see this kind of thing over and over again—which we use as vehicles for this kind of information for the farm sector. I hope you have attended some of the agricultural fairs and seen the energy exhibit which we do mount and run right across the province. We have the so-called energy van which is taken to the agricultural fairs and provides information and exhibits and so on.

Mr. Makarchuk: Mr. Chairman, this seems to me to be an exercise in public relations for the minister and nothing else. I've seen these exhibits—the energy exhibits. It's the same as the environmental exhibits—in the process the water gets worse and the rivers get dirtier and the lakes get more polluted and so on. Exactly how much is this really going to resolve your energy problem? You're tinkering with the thing; you're giving little things here and there, but, really, is this the way we should be discussing these estimates?

Hon. Mr. Timbrell: The member wants to discuss the basic philosophy of the conservation programme. It is one of voluntary conservation; it's one of making the people aware through various means and the energy van is only one small part. We do have the co-operation of many of the municipal utilities which, in the bi-monthly billings, are sending out information, as is Ontario Hydro, to people as to what they can do in their own homes; what they can do in their own businesses, industry, and so forth. If the member is saying he doesn't believe in voluntary conservation, that's fair enough.

Mr. Makarchuk: No, I'm sorry—

Hon. Mr. Timbrell: We have rejected the notion of government regulation.

Mr. Makarchuk: What the minister is saying, in effect, is that what we're looking at here is some energy policy designed to lower

energy costs and conserve energy and so on. But what we're indulging in is a sort of exercise in public relations and nothing else. To say how really good you are, how effective you are and what you're doing, you present this façade to the public but really, in terms of total effect out there in the world it is negligible or very minimal. It's not going to resolve your energy problem—or our energy problem.

Hon. Mr. Timbrell: That makes great rhetoric; if you could point to some specifics. The booklets we have put out have been geared to specific hints to the individual householders as to what they can do in the operation of their cars, the heating of their homes, the use of appliances and lighting; practical things every individual can do.

Through the Ministry of Industry and Tourism, as part of the energy management programme, using the energy bus and staff of the Ministry of Industry and Tourism, we work with industry to pinpoint for them where they can save amounts of energy. The energy bus has visited something in the order of 300 plants in the last year—

Ms. Gigantes: With respect, may I suggest—

Hon. Mr. Timbrell: Excuse me, I'm not finished.

Ms. Gigantes: I know, but—

Hon. Mr. Timbrell: Pardon me, I'm not finished. If you're saying you don't approve of voluntary conservation—

Ms. Gigantes: What I think Mr. Makarchuk is trying to raise is that we are discussing the way the ministry operates now in terms of administration. Vote 1801 is the administration, the structure—

Hon. Mr. Timbrell: We aren't on vote 1801 yet, are we?

[3:30]

Ms. Gigantes: We are about to reach it. I suggest that we postpone this kind of detailed discussion until we get to the votes which cover it. If we were discussing the general philosophy of the opening remarks of the minister and the comments of the opposition's chief spokesman, that seems fine, but we've gone on now for over a day of our four days of discussion without getting to a vote. I suggest we would do well at this stage to tackle first the administration and structures of the ministry because I think there are questions to ask about that before

we go into the details of the current operations.

Hon. Mr. Timbrell: Mr. Chairman, certainly we are going to get into votes. I am trying to respond. The spokesman for that member's party, as well as the spokesman for the other party, asked certain questions in their opening statements, answers to which I am trying to provide. Obviously, we will get into a whole range of issues once we get into the various votes.

Ms. Gigantes: Not at this rate.

Hon. Mr. Timbrell: That is your judgement.

Ms. Gigantes: We will never get to the first vote at this rate.

Hon. Mr. Timbrell: We would like to answer the questions raised in the opening statements. I think that is only fair to the committee, the members of the committee.

As I was saying, Mr. Chairman, the basic thrust of the programme is voluntary conservation. We have in the provincial government, and at the federal level, with some urging by this government as well as other provincial governments, brought in some kind of regulations. For instance, there is a moratorium on the conversion of bulk metering subject to a review under the auspices of the municipal utilities. A year ago we put into the new Building Code provisions for minimum insulation levels in new homes and small commercial buildings.

The federal government has brought in the regulations for fleet average mileage for automobiles, the first effects of which were seen with the introduction of some of the 1977 models. We have been urging the federal government to get on with the introduction of the Can Tag programme, which would set efficiency standards for new appliances.

All of this relates to the basic thrust of voluntary conservation with government setting standards in the production of various goods, particularly automobiles, appliances and homes, rather than the alternative which would be for the government to get involved in some form of allocation as a means of a conservation policy method.

Mr. Reed: I would like to say to the minister that I appreciate the explanation of this aspect of administration simply because I feel that one of the most important aspects—I realize it is being called public relations and I guess it is—in the whole energy pic-

ture right now is to get information to the public. That is why I asked those specific questions. I do believe they are important. I think it is very valid that the Ministry of Energy, if it is going to act as a catalyst—which it has pictured itself as—undertake the most thorough kind of information dissemination programme it can. I don't think it is doing nearly enough.

Ms. Gigantes: That's why we should deal with vote 1801.

Mr. Reed: That is why I have asked those detailed questions. I want to know how this information is getting out. For instance, I don't believe that—university bulletins get out to a large group of people. Maybe it would be better published in *Hush*, I don't know. The fact is information has to be disseminated to a sceptical public.

Hon. Mr. Timbrell: I wonder if Dr. Rowe can conclude his remarks. To finish answering the question that was asked yesterday perhaps Mr. West, who is the manager of the load management department of Hydro, can indicate what Hydro is doing to get information out, which would complete the answer to Mr. Reed's question.

Dr. Rowe: What I would like to do, I think, to answer your question and a couple of others which have arisen through the discussion is perhaps to sketch out for you the identifying of an energy problem in a particular sector and trace it right through to the final information delivery. In the process I would like to use this as a vehicle to illustrate how we work with other ministries; it gives you an idea of how our ministry carries out its mandate through that of other ministries.

You appreciate, of course, as the minister has said a number of times, we are a policy ministry. We have no right to work in the agricultural sector. We do have a responsibility to work with the Ministry of Agriculture and Food. I would illustrate, for your purposes, some of the programmes that the Ministry of Agriculture and Food identified as being of concern to its mandate of delivery of goods; say vegetables, greenhouse operations, tillage, corn drying and so on. They identified these as problem areas where some research needs to be done, some guidance must be provided to the farmer so he can best utilize his resources and do the job that he is trained to do and he is obliged to do.

The Ministry of Agriculture and Food is simply one of the participating members on our Energy Management Council. Dr. Renie is the representative of the Ministry of

Agriculture and Food. His staff, reaching down through the agricultural engineers, comes forward with what it considers are the concerns of the agricultural sector, and I've just named some of these.

An entire delivery mechanism is set in place, whereby Dr. Rennie identifies what group may best solve the problem, and in some cases he has had to go out and request tenders. Tenders are reviewed, funding recommendation is made, or finally rationalized and consolidated following review of tenders, and participants, from addressing themselves to one of these particular problems, such as reducing fuel usage in greenhouses, get on to the job.

Now the greenhouse issue, as an example, is carried out at both the University of Guelph and the Vineland Research Institute. Ontario Hydro staff also participate in some of these projects where it is appropriate. The focus in greenhouses is, in one case, on a single crop, tomatoes. At the conclusion of the experimental process, final reports are produced and delivered to the information offices of the Energy Resource Institute at Ridgeway and the Ontario Ministry of Agriculture and Food Offices on Bay Street, and they produce newsletters and disseminate the report. They produce bulletins which then go out through the Agriculture and Food representative chain, which gets right down to the individuals. Bulletins go to the greenhouse operators; bulletins go to the journals that serve the greenhouse operators; and the van visits the agricultural sites, and they have these bulletins on board, so again they can deliver the results of the experiment to the person who is actually concerned with the problem.

So it's a chain of events, right through from identification of the problem, the playback to energy, the playback, particularly to the sector, and the final delivery of the programme results. In the agricultural sector, it may take a couple of years to come up with some definitive results; and the delivery, with respect to the crop growing and so on, will not really be available until next year. However other projects, such as best utilization of energy, say in swine production, that information is available right now and is being disseminated by both Ontario Hydro field engineers and agricultural representative staff of the Ministry of Agriculture and Food.

Mr. Reed: What you've said to us is that you are doing a job to get information to the agricultural community, you're doing a job to

get information to the industrial community; but you have, in fact, left the residential homeowner to the last in terms of equipping him with the tools he needs to actually be aware of and practise conservation.

Hon. Mr. Timbrell: No, I think that's—

Mr. Reed: Is that a fair statement?

Hon. Mr. Timbrell: Not entirely fair! Dr. Rowe can give you some examples of some of the things we've been doing, but you have to bear in mind that the federal government and various energy supply companies have been very much in the forefront of public relations, if you will, or advertising on energy conservation for some time. The bulk of the money which has been made available to us has been used by us in programmes aimed at getting answers in specific sectors and aiding specific sectors rather than the general programmes. We are now getting more into the relationship to the individual, for instance starting Energy Conservation Week, and it has carried on. We've been getting something like 200 telephone calls a day in the ministry, hundreds of letters a week asking for specific information on heating or lighting or whatever—"What can I do about such and such or so and so?"—and that's why Dr. Rowe mentioned the fact that we're setting up the public awareness division, if you will, or equipping ourselves with the ability to respond in a timely manner to these requests, because they're swamping us right now.

Mr. Makarchuk: What are you doing to bring the cost of gasoline in Ontario in line with what it is in the United States; in New York State as an example?

Hon. Mr. Timbrell: Well, if the same state royalties and federal taxes applied in Canada as in the United States, we would be equal to if not lower than most of the United States. That is a different question than conservation. Perhaps we can get into that a little later; I'll be glad to do so.

Mr. Makarchuk: Do you have prices at this time to indicate the cost per gallon from the refiner, outside of the local state and royalty taxes and so on—

Hon. Mr. Timbrell: Yes.

Mr. Makarchuk: Can we compare the American experiences and so on?

Hon. Mr. Timbrell: Yes.

Mr. Makarchuk: The reason I raise this, of course, is that I get a lot of people who drive through the United States, various states, not just New York State, and they say that it'll cost them probably \$11 or \$12 to fill what costs \$15 in Ontario; and those are the kinds of things that bother me and it seems to me that I don't see anything from your Ministry to answer those kinds of questions.

Hon. Mr. Timbrell: Well I'll be glad to give you two figures right now. The royalty in the producing states of the union is about 12½ per cent. In Alberta today, it is 38 per cent. The royalties in the producing states are deductible for federal tax purposes and they are not deductible in Canada. That's really just touching the surface. We'll go into it much further later.

I wonder if Mr. West wanted to comment. Perhaps Mr. West could comment on what Hydro is doing in terms of its relationship with the consuming public, giving information.

Mr. West: Just within the last two weeks, Ontario Hydro launched a media advertising programme directed toward conservation, and more specifically directed toward why should we conserve electricity, and I understand that Mr. Wright will be talking tomorrow afternoon about the TV advertising, the radio advertising; and undoubtedly you've already seen some of the newspaper advertisements, talking about it.

In addition to that, we have prepared a variety of pamphlets on how to insulate your home, how to fix leaky taps and things like that, which are made available through the local offices, both the Hydro offices and the municipal utility offices. We have also, in the agricultural area, participated in the farm fairs and talked to farmers about the problems they may be having in using electricity. In many cases we find they want to talk about not only electricity but any energy, and that's fine, because it's all the same game. We are working with the farm equipment suppliers, the designers; the builders; again to acquaint them with how one can best use energy in farm applications, speaking specifically of farms.

Mr. Reed: You used to have a publication called the Ontario Hydro bulletin and I think—

Hon. Mr. Timbrell: Hydroscope.

Mr. Reed: Was it Hydroscope? It was one that went out to the farms and retail cus-

tomers in the past. Is that still in publication or have you—

Mr. West: No, that was withdrawn about a year and a half ago.

Mr. Reed: That's been withdrawn. Do you, as a practice, include flyers in your Hydro bills?

Mr. West: Yes, there have been several.

Mr. Reed: Are you using those as a medium for making specific recommendations on conservation of electricity?

Mr. West: Yes, we will be.

Mr. Reed: Not yet?

Mr. West: Well, one was mailed out recently. About 500,000 or 600,000 have gone out—either to our customers or both to our customers and municipal utility customers—talking particularly about the crisis in energy conservation.

Mr. Reed: Is this the first one of its kind?

Mr. West: That's the first of this series. There's another one coming out very shortly on Christmas lighting, and then there'll be a series of these coming along. This is the one I was referring to.

Ms. Gigantes: That's the one which doesn't go to anyone on bulk metering.

Mr. West: That's right.

Ms. Gigantes: And that means up to 35 per cent higher use. Those are the people who should be getting it. I didn't get one, I'm bulk-metered.

[3:45]

Hon. Mr. Timbrell: Then you have to rely on the television and radio advertising programme, which does hit those people.

Dr. Rowe: Are you one of the 70,000 that did get the newsletter from the UDI?

Ms. Gigantes: No.

Dr. Rowe: Because we did try to cover many of the bulk-metered situations through the UDI.

Mr. Makarchuk: They did talk something about rent controls though. Did you subsidize their publication in any way?

Dr. Rowe: I beg your pardon?

Mr. Makarchuk: They did talk something about rent controls, ceasing rent controls, in the UDI bulletin. Is that the same one?

Hon. Mr. Timbrell: It wasn't the same one.

Mr. Shore: Aren't we getting off the subject again, Mr. Chairman?

Mr. Chairman: Yes, I think so. Does that conclude your remarks?

Dr. Rowe: Excuse me, Mr. Chairman. If the committee would wish to consider the matter of Hydro advertising programme further, we could, this evening, bring in the TV and radio clips and some of the advertising copy that will be presented to the public this winter. It has not yet been released publicly.

Hon. Mr. Timbrell: That may come up later, in the votes.

Dr. Rowe: I just wanted to make it available.

Mr. Reed: I don't want to belabour this before it comes to a vote, but I did ask a question yesterday about how the minister had explained that he looked upon his ministry as a catalyst to interact with other ministries and I wanted him to give me some examples. We have had some examples about communication and the dissemination of information through the Ministry of Agriculture and Food. There is a close tie with the Ministry of Transportation and Communications in terms of mileage on automobiles. I wonder if you have yet come to the conclusion that you should be recommending to the Ministry of Transportation and Communications that they had better start licensing automobiles by weight; and I wonder if you have made contact with the Ministry of Natural Resources and what recommendations you have made to them regarding the part they play in energy.

Hon. Mr. Timbrell: So far as the Ministry of Natural Resources is concerned, Dr. Rowe did mention the involvement between our two ministries on the demography project. That is being carried out by the Ministry of Natural Resources' remote sensing centre, working with the federal Department of Energy, Mines and Resources. I guess they call it the same thing, don't they, remote sensing centre?

Dr. Rowe: Centre for remote sensing.

Hon. Mr. Timbrell: There is use of a federal plane in that project.

In the case of the Ministry of Transportation and Communications I can just give you—I'll try to do it fairly quickly—an indication of some of the projects that we have under way with them under the energy management programme. The first is to study various fuel economizing devices, including fuel-in-

jector systems and lean-burn engines with the aim of reducing automobile fuel consumption. I think they have 11 or 12 units on government vehicles being tested under working conditions.

Dr. Rowe: Twelve devices have been tested so far.

Mr. Reed: Are reports going to be made public on the results of those tests?

Dr. Rowe: Mr. Reed, the biggest disappointment so far is that we have nothing positive to report, and this is a disappointment to all of us.

Mr. Reed: That might be worth reporting in itself.

Dr. Rowe: We certainly have told this to the media and so on on many occasions. By the way, that also includes two tests that have been carried out on a certain device by a certain minister of this government; again with equally disappointing results to us.

Hon. Mr. Timbrell: I think you may be interested in some of the things they found out; for instance they find that with some of the devices there is a flat spot develops in the engine and other parts of the engine will wear out faster because of various devices. The results to date are disappointing. A second project has to do with working with the trucking industry to examine implementing efficient energy techniques for that industry to decrease the quantity of fuel consumption by the trucks in the province; for instance working with them on these various air foils. You see many more of those on public carrier vehicles today, due to the emphasis placed on this by the Ministry of Transportation and Communications and also by the Ontario Trucking Association. The latter is one of the active groups in the province in co-operating with the energy management programme in getting the message out to their membership as to what can be done, and working with their membership on a regular basis.

Then there is the analysis of fuel use in trucks and cars. We are working on the development of a comprehensive instrumentation package to analyse the way the fuel is used on all types of vehicles. To do this they record fuel flow, vehicle speed, distance, throttle position, gear, acceleration, wind speed and direction, road grade and a number of factors like that. They are working on the development of a small instrumentation package for loan to trucking companies to perform their own optimum route

and operational analysis. The fourth one would be a straight monitoring function of other agencies involved in energy management such as the United States Environmental Protection Agency, the federal Department of Transport here and in the United States. The study of alternate fuels for vehicular use, to investigate fossil fuel energy conservation opportunities by using methanol or other alternative resource fuels as a substitute for petroleum fuel, as a fuel extender or an efficiency improving additive.

Mr. Reed: That's under way at the moment?

Hon. Mr. Timbrell: Assessing carburetor adjustment is another, the effect of that; and this involves them having to work with the Ministry of the Environment, of course, when they start getting into that area. There is also evaluation of turbo chargers on small fuel efficient engines and—

Mr. Reed: Nothing about licensing by weight?

Hon. Mr. Timbrell: We have been discussing, between our ministry and Transportation and Communications and the Treasury, the question of the fee structure. I might say that since the federal government has decided to abandon putting emphasis on weight tax and is putting more emphasis on MPG ratings, the EPA ratings as well, this has caused us to rethink the direction we are going in there. But we are, yes, looking at the possibilities of developing a rate structure that more closely relates to the efficiencies of the automobiles rather than just the number of cylinders.

Ms. Gigantes: Are we on vote 1801 now, Mr. Chairman?

Mr. Chairman: Vote 1801. I announced that when we started today but I guess it wasn't heard and I apologize for that. I thought we were discussing vote 1801.

Mr. Burr: Yes, but we went back to discuss some questions on the lead off. That's why we didn't realize you were now on vote 1801.

Ms. Gigantes: Mr. Chairman, I would like to ask the minister about the new ministry programme structure he has outlined for us that he will be proposing for 1977-1978, which he says is now in basic terms essentially operating. I would like to ask him first of all how it differs in any real way from the design of the ministry that we were dealing with from 1973 to 1976?

In particular, it seems to me that these two upper levels, energy, technology and legal services, in the two top boxes there, they are still reporting, as are the three bottom ones, through the deputy minister to the minister. There seems to be no levelling of the structure of the ministry. I don't understand how putting them all on different lines is supposed to affect the operation of the ministry. If I could start with that question.

Hon. Mr. Timbrell: I think, Mr. Chairman, it's impossible to show how a ministry, in fact, actually operates day to day in a diagram. The point is that we have broken out energy conservation, which previously was part of energy technology, and made it a separate division programme of the ministry to beef up its operations and to give it added funds and importance in the operation of the ministry.

As I indicated yesterday, and I have indicated many times before, what we are trying to do is to put conservation or demand control, if you will, on a par with energy supply. We have to give equal weight to these two things. While you are working on the development of new supplies of whatever form of energy, you have to give equal importance to the development of an energy demand or energy conservation programme.

Ms. Gigantes: Is energy conservation now getting more money? I ask this because I note that between 1974 and our current estimates, there's been only a 5.6 per cent increase in the budget of the ministry.

Hon. Mr. Timbrell: Yes, 5.6 per cent overall in the ministry. Again as I mentioned yesterday, because of the fact that, and this isn't peculiar to Energy, since the bulk of the increases in provincial spending in recent years have gone to the social services—to Health, Education, Colleges and Universities and Community and Social Services—then ministries like ours have had to hold the line either with no increases, a flat line budget, or with minimal increases.

The estimates show for conservation this year \$626,000. I haven't got the figures handy for the last couple of years.

Ms. Gigantes: This wouldn't even take account of inflation over the last three years.

Hon. Mr. Timbrell: Unquestionably we would like to have had more money, but you will understand that the government has been trying to keep the overall growth in government expenditures to acceptable levels. When you make that first decision, then you

look at demands for hospitals, for health care of all kinds, for education at all levels, for social services, it's always meant that a ministry like ours has had to live more frugally than perhaps we would have liked, but it's part of the overall government financial restraint effort.

Ms. Gigantes: I'd expect that with a 5.6 per cent increase over that period of time, you'd have to cut back somewhere. Now, if you're going to add in conservation, where are you cutting back?

Hon. Mr. Timbrell: This year we have not, for instance, been involved in as many interventions before regulatory tribunals at the national level in other provinces as had been anticipated, so we've been able to free up some sums from there to redistribute through the rest of the ministry.

Ms. Gigantes: Could I go on to ask the minister for his comments on the royal commission on petroleum products pricing report by Dr. Isbister? On page 14, recommendation I-30, he talks about the report foreseeing "a more active role for the government, an expanded style of involvement and longer time horizon than hitherto in relation to the future procurement of crude for the Ontario marketplace.

"One of the major consequences would be to elevate the Ministry of Energy to a level where it would be staffed and supported to contribute to the national policy framework that is required to deal with the new problems. On numerous aspects of crude, it will be desirable for the ministry to be closely informed about technology, financing and negotiations connected therewith.

"It also is concluded that the creation of the Ontario Energy Corporation was an important step forward in the development of provincial strategy and that it can play an important part in the future in carefully selected instances by increasing the options available to the province as described. It should be added that these comments refer constructively to the functions and scope of these organizations, and they are in no way critical of any of those connected with the organizations in question."

In spite of what Dr. Isbister has to say about being in no way critical, it seems to me that that is a critique of the kind of ministry that we've had for the last three years in Ontario, which you describe variously as a catalytic ministry or as a co-ordinating ministry. What he seems to be calling for is a ministry which is capable of

taking on what he identifies as a massive job, simply in one area. He's looking only at oil. He looks at oil in the perspective of Ontario's overall energy needs. But he seems to be saying and quite clearly in this section that the structure and operations of the ministry are inadequate to the job.

Hon. Mr. Timbrell: I can understand why you would take that interpretation. If I have any criticism of that particular recommendation, it is that at no point did the commissioner ask me and/or the staff of the ministry to appear before the commission to give evidence on the structure of the ministry and our activities.

[4:00]

Unquestionably, if we had more funds we could put them to good use in terms of the conservation or alternate energy programmes. I said at the time that the report came out that I don't particularly want to see a larger ministry than that which we have now. At present the complement of the ministry is approximately 44 or 45. That is still a reasonably manageable size of ministry for the kind of function which we were designed to serve, that of a policy ministry.

Ms. Gigantes: That's what's in question, it seems to me. That is what Dr. Isbister's remarks were questioning.

Hon. Mr. Timbrell: I have to question that recommendation again because at no point, as I said just a few minutes ago, did he ask us to appear before him to discuss what we do in the ministry or the qualifications of the people in the ministry. We have an extremely highly qualified, individually chosen staff in the ministry to deal with all aspects of energy. We could, I suppose, become something like EMR in Ottawa which has a staff of 3,200—that's not just energy, that's minerals and resources in there as well—and outnumbers us in the energy field by probably four or five to one.

I really have to say to you that if you compare our productivity in the ministry in terms of the things we've been able to do in getting off the ground, for instance, the most ambitious conservation programme in the country, no province is anywhere near us. We compare very favourably with any other jurisdiction, including the federal government. I wouldn't want to see the Ministry of Energy grow to a size where it became unmanageable, where it lost its ability to be flexible, to be responsive, to work as a team. There is a fine line that, once crossed, you're into

a new and different type of ministry than what we have had for the last three years.

Ms. Gigantes: I agree. It seems to me what he's saying is that the definition that's been given to the role of this ministry is a definition which is inadequate. He says that the ministry should be playing a much larger role than it's playing and he makes very specific comments on what areas it should be playing a bigger role in, and I suppose I could raise those under the policy vote that's to come up next.

Hon. Mr. Timbrell: He mentioned the Energy Corporation, I think as part of his comments there, and in the case of the Energy Corporation it's a function of the capitalization. The corporation, with its investment in Syncrude and the Polar Gas study has reached its limit. You will recall that there's also a recommendation in the special programme review that says the Energy Corporation shouldn't go any further. There you've got two people then with good credentials, a group of people in the programme review and the royal commissioner, all with good credentials, perhaps giving what you might consider to be contradictory advice.

Ms. Gigantes: You have an auditor, a man who is assigned a job to review all government programmes in terms of restraint policies and you also have a man who was hired to do a specific study on a specific area of energy pricing in Ontario, and I suggest to you that the credentials of the man who is hired to tackle energy are much more appropos to this discussion.

Hon. Mr. Timbrell: They're looking at it from not entirely different perspectives. I grant you that in the case of the special programme review, which was chaired by the Treasurer (Mr. McKeough), they were looking at areas in which the government might control more the growth in expenditure. I just say to you that, in fact, we are involved in every aspect of petroleum development in the country. We do involve ourselves in, first of all, obviously, negotiations with other levels of government in other provinces on a regular basis. We do involve ourselves in hearings before the Alberta Energy Resources Conservation Board, in hearings before the National Energy Board, particularly when they're involved in supply-demand hearings on various forms of energy. We do engage, from time to time, outside consultants to assist our professional staff in the preparation of such submissions.

I don't know of another area of activity that we could be involved in. You could say in the investment side that we could be involved more, and that goes without saying, but there again, that is controlled by the level of—

Ms. Gigantes: Yes, I think Dr. Isbister would have suggested a different kind of investment, according to his report.

Hon. Mr. Timbrell: That's reading between the lines. Perhaps you know something I don't about what he intended.

Ms. Gigantes: I think I can cite the lines but that's a policy discussion again.

Hon. Mr. Timbrell: It does come down to a question of government spending and the limits to growth of government spending. As a result of that process the Energy Corporation has met its limit. We will look for some additional funding to carry out the two commitments there but at this point in time, it's unlikely that we'll get into any more.

Ms. Gigantes: Obviously it's a question of government spending or we wouldn't bother to have a Ministry of Energy. Obviously we are all concerned with the level of government spending. The question here is whether we're getting our money's worth; whether it's worth putting a bit more money in to have a different kind of ministry; and whether the kind of ministry we have now is at all adequate to the job that needs to be done for Ontario in the future.

Hon. Mr. Timbrell: I'm glad to have your support because we're talking about next year's budget. I'm glad to have your support.

Ms. Gigantes: It depends what you're going to do with your money, Mr. Minister. Don't count on my support.

Could I ask for your comments on another item which seems to me interesting in your Ministry of Energy basic organization structure for 1976-77. You have information and analysis as one of the bottom rungs. I can't understand this diagram at all. It seems to me that if we're going to have a ministry which operates in any kind of organized sense, you'd have a minister at the top; a deputy minister underneath; policy development right underneath that; information and analysis feeding into that; and everything else feeding into information and analysis.

Hon. Mr. Timbrell: Because we're a policy ministry, you might say you'd do away with all the groups and just have a minister and a deputy with individuals feeding into the

deputy and the minister. I think perhaps you might benefit from a description of the information and analysis group. Is Jim Thacker here? Perhaps Mr. Thacker could come forward and describe to you the work which is done in his section, information and analysis. It might assist you in getting an appreciation of—

Ms. Gigantes: That would be good. I'd like also your comments, and perhaps his on the conclusion of the report by J. R. Melvin done recently for the Ontario Economic Council research series. In the last section he talks about the difficulty they've had in doing their analysis, which is a very interesting analysis with severe limitations, because of the kind of information available in Ontario. He talks about the need for regional input-output tables for Ontario. He talks about the fact that in Ontario the only tables available for use were based on 1965 data which are really out of date by now. I'm wondering what kinds of data you're working with when he makes this kind of summary of the information available.

Hon. Mr. Timbrell: First of all, my understanding is No. 1, that study was done two years ago and is therefore in many respects out of date. Secondly, Mr. Thacker can correct me if I'm wrong, I'm not aware that they ever came to the ministry seeking information to do their study. Jim, perhaps you'd like to describe the activities of the information and analysis section of the ministry.

Mr. Thacker: Okay. There are two main areas of activity. The first is the support of policy activities, conservation activities. The analysis we're talking about here is economic mathematical analysis. The information we're talking about is statistical information, the library, that sort. It's not the public relations aspect of information.

The second activity, other than, as I said, the support of the policy initiatives—I should add in that first area, the conservation activities—the second is the development of demand analysis tools for Ontario. I think in the material you have there is a description of what's called Project 12, or the energy demand analysis. That will describe the nature of the tools we are now developing to project energy demand in Ontario.

Now those are the two main activities of the information and analysis group. We have a number of incidental projects which we undertake. We're involved in the grid study and in specific pieces of analysis here and there. Would you like to—

Ms. Gigantes: One of the things that this study—it certainly says it's published by the Economic Council in 1976; I couldn't swear that it wasn't done two years earlier, of course. One of the things which seems clear to question is that the basic kinds of information a government should have when it goes to the federal negotiating table on oil prices, I presume, would be the same as needed for negotiation with gas companies. All these areas where we have to get into large considerations of what one cent means, how commodity prices will be affected and so on—

Mr. Thacker: May I ask a question here? I missed the identification of the report you're referring to when I was coming to the front of the room.

Ms. Gigantes: It's a study by J. R. Melvin from, I think, U of T. He did it for the Ontario Economic Council research series.

Mr. Makarchuk: It's a subversive organization.

Ms. Gigantes: It's called The Effects of Energy Price Changes on Commodity Prices, Inter-Provincial Trade and Employment. These are all areas, of course, where Ontario has to consider the effects of energy price changes. When you look at it, the analysis is not very satisfactory because so many assumptions have to be made on the basis of the material on which the study is working.

What he is complaining about, in very quiet polite language, is the lack of basic information systems within Ontario to ready the provincial government when it goes into federal-provincial negotiations on oil, in particular, because this is what he's talking about again. It seems to me that this kind of information is vital.

When I look at two studies which indicate there isn't enough attention being given to the overall requirements in Ontario for the Ministry of Energy to go forth from Ontario and, at a federal-provincial conference, negotiate our position on the basis of sound knowledge of the effects within Ontario then I wonder, as Dr. Isbister did, whether this ministry is structured so that it's useful to the people of Ontario.

Mr. Thacker: I'm not prepared to speak to that particular report right now. I believe it was a 1974 report. We have some analyses of the report back at the ministry but I must admit I'm not familiar with the details. I can't speak to it here and now.

Ms. Gigantes: What happens when—is this ministry prepared to take on the large energy questions Ontario has to face now and in the future? Do we know what the change in commodity prices is going to be when we go to a federal-provincial conference?

Hon. Mr. Timbrell: I'm sorry we don't have it with us but I'd be glad to get the material which Ontario has tabled at the most recent federal-provincial energy conferences because I'd like to know where the member thinks our data have been insufficient.

I would say to you that first of all, I'm very proud of the staff in the Ministry of Energy and the kind of job they're able to do, the kind of material they are able to pull together which stands up very well under questioning at the federal-provincial conferences. Our analyses are as complete and as accurate as any others presented at those conferences. If you'd like to have copies, I'll make sure you get them later today or tomorrow and then perhaps you'd tell me where our information was wanting.

Ms. Gigantes: I'd be delighted to have a look at that, Mr. Minister, but let me assure you I mean no criticism of people on the current staff of the Ministry of Energy. I'm asking the question whether this ministry is structured and has its job really well-defined enough to represent our energy needs in Ontario.

Hon. Mr. Timbrell: Well, in July—

Ms. Gigantes: If I could just finish. To say we're as well prepared as anybody else in this nation of ours does not impress me particularly, because I think the federal government has fallen down badly. I think that we, of all people, should know what the situation in Ontario is.

Mr. Thacker: May I speak for a moment here? I'm not prepared to speak to that particular report but in going to these meetings with the federal government we have prepared, and we've had Treasury and Economics as well prepare, analyses of the type you're talking about. There are really two different matters here. Our comments on that report is one matter, but what specific analyses we have taken to the federal-provincial conference is another. We have, for example, computed the effect of price increases on the CPI and other measures of the economy.

[4:15]

Hon. Mr. Timbrell: In July, Ms. Gigantes, we did appear before the Porter commission at which time we talked about the structure of the ministry and the mandate, if you will, of the ministry. Perhaps my deputy Mr. Rowan could review for the benefit of this committee what we discussed with the Porter commission which I think will answer your concerns.

Mr. Rowan: Thank you, Mr. Minister. What we have done, Ms. Gigantes, in the past year is, within the resources we have assigned to us—as the minister said we have about 45 people within what we call the ministry office—within those resources and the budget of the ministry office, we've tried to adapt those resources to what we think are the pressing needs of today.

In 1973, when the ministry was first formed, there was a ministry programme structure which, if you'll refer to the chart which I think you had in your kit, was set up in four programmes—ministry administration; energy policy; Ontario Energy Board; and the Ontario Energy Corporation.

There is a mixture, you'll note, of functional programmes and organizational units and that served the ministry well for the first three years. It became more apparent in the past year that it would be better if we had a total functioning programme structure and that's the programme structure we will operate under next year. Here we have energy policy; regulatory affairs; energy supply; and energy conservation.

First of all, we wanted to highlight the energy conservation because this is, we believe, one of the most important undertakings that this ministry can concentrate on. Regulatory affairs you'll notice, was one of the boxes in the old organizational structure. This seemed to us to be a misnomer because regulatory affairs, insofar as Ontario is concerned, has to do with the regulation of natural gas companies under The Ontario Energy Board Act. Those activities for which the Ontario Energy Board is responsible in the implementation of that Act, insofar as natural gas companies are concerned, really comprise the programme of regulatory affairs or will next year when we have our new programme structures in effect.

Ms. Gigantes: Where would you put your interventions before bodies like the NEB?

Mr. Rowan: That is a function of energy policy. It's the policy of this government to intervene with the National Energy Board on certain federal government activities. What we're trying to do is to focus the

attention of energy policy and use the instruments available to us. Intervention is a very effective or can be a very effective technique to effect what we think are the best interests of Ontario consumers. We've done this on a number of occasions whether it's before the National Energy Board or Ontario or Quebec Hydro export applications; or whether it's with respect to TransCanada Pipe Lines applications to increase the rates for the transport of natural gas from western Canada to Ontario.

What we've done in a programme structure way is to take the mixed functional organizational programme structure that's been in effect since 1973 and transfer it to a purely functional programme structure. In the same way we've organized ourselves so that energy conservation is a discrete unit and, as the minister said, we've set this up under Dr. Rowe—

Hon. Mr. Timbrell: I think you mean distinct, don't you?

Mr. Rowan: Discrete; distinct or discrete unit under Dr. Rowe as the executive coordinator. We did this because we wanted to make best use of the resources, the personnel, available within the ministry. We recognize that there are some other very desirable things to do but given the limited resources we have, we feel we have to assign priorities. We know, for example, we would like to do more in research and development; we know that but we feel that there is a higher payoff in the energy conservation area doing the sort of things that we described earlier.

When the government went to the ministry rather than the departmental terminology back in 1972, it did it for a very specific reason. The ministry concept really means something very specific, and as far as the Ministry of Energy is concerned there are four components of the ministry. There is the ministry office, that for the most part we are discussing today in our estimates, and that's located on the 12th floor of the Sunoco building, but there are also three government agencies within the ministry reporting to the minister. There's Ontario Hydro, Ontario Energy Board and the Ontario Energy Corporation. Those three agencies plus the ministry office comprise the ministry.

It's important to keep those in mind, because when you look at the Ontario Energy Board, for example, it has two functions: It has a regulatory affairs function for those things for which it is responsible under The Ontario Energy Board Act and it also has a very important role to play in energy policy—

those things which are referred to the Energy Board for open public hearings, such as the costing and pricing study which is being referred to the board. This study will, as a result of the various perspectives which are brought to bear on costing and pricing of electrical energy, result in a set of recommendations to government that will have, I am sure, a very important effect on the policy decisions that the government takes some time in the future. What we are trying to do is to organize ourselves both in an organization structural way and a programme structural way so that you can link the programmes of the ministry with the resources of the ministry.

This description was contained in our submission to the Porter commission last July and a copy of it is available to the members if they haven't already seen it. Also, we attempt to bridge, if you will, the old programme structure and organizational structure and the proposed new one in our annual report which was tabled in the Legislature in October. You made a comment about Dr. Isbister and his report on petroleum product pricing, specifically with respect to the Ontario Energy Corporation and—

Ms. Gigantes: And the ministry.

Mr. Rowan: Yes, and keeping in mind that the—

Ms. Gigantes: That was simply one example he was citing from his analysis of the role of the ministry.

Mr. Rowan: That is correct. It is hard to know exactly what Dr. Isbister had in mind, but one can assume, certainly one can see an implicit assumption in his comment that the government should become a more significant factor in crude oil supply management. My understanding is, however, it's a policy of this government to leave supply management to the private sector. It would be a significant policy change to get the Ontario Energy Corporation involved, if that's what is implicit in his comment, in the purchase of crude oil from sources outside of this province either in western Canada or in Saudi Arabia, Venezuela or wherever, in sufficient quantities to supplement or to compete with the crude oil purchases which are now being made by the private sector.

Ms. Gigantes: This is a policy item, of course, and I was hoping we could get into this during the policy discussion, but it does seem to me that he is suggesting, and he does it pretty clearly, that the role that the

Ministry of Energy has played in terms of enunciating our needs and the policies for the future in Ontario and the current policies in all its ramifications with the Energy Corporation, with all the elements of the ministry, have not been brought together in a sufficiently powerful way to be able to express Ontario's needs in energy. Would you think that's a fair conclusion to draw from what he's saying?

Hon. Mr. Timbrell: I think the difficulty is that, depending on the perspective you start from, you can take from that recommendation virtually any conclusion you want. It's something which a psychologist friend of mine calls non-shared intentions. As the deputy has mentioned and as I've mentioned, first of all, we weren't called to appear before the commissioner, so it's difficult to know exactly what he had in mind other than that one interpretation which can be taken is that he wants to get the Energy Corporation more into the business than it is now, the government more into business than it is now and that's—

Ms. Gigantes: I wouldn't have drawn that conclusion at all.

Hon. Mr. Timbrell: That's the problem, that it's difficult to know exactly what he meant by that.

Ms. Gigantes: He seems to me to be suggesting, from a review of one of our energy sources in Ontario, considering that source in conjunction with other sources that we use and that we will need in the future, that the Ministry of Energy is simply not equipped to do a decent job. As I've listened to two years of estimates—and that hardly makes me an authoritative commentator on this subject—there's talk of the catalytic role and there's talk of the co-ordinating role of Energy, and we can hear in detail when questions are raised about how you go about a particular kind of information system for greenhouse growers and so on.

But we don't know, and there's no clear way of getting at, what the Energy ministry is doing in terms of contributing to Ontario government policy on energy, period. We don't know on what basis the Energy ministry presumably is giving advice to the Ontario government in federal-provincial conferences on oil pricing, for example, and I certainly don't know how the Energy ministry would presumably be the ministry which would recommend to government something like the blended price system. It's the structure that one can never nail down. One can talk about all these little separate boxes that

we see here, but we don't see how they really relate to each other.

Hon. Mr. Timbrell: That's the point—

Ms. Gigantes: There's no policy category which oversees these little boxes, there's no information and analysis category that comes directly under the policy category. I don't know how you run an energy policy for Ontario with this kind of structure.

Hon. Mr. Timbrell: That's the point, we don't operate in such a way, when it comes down to policy-making, that you keep everything separate and unrelated to the rest of the ministry. That's the basic advantage of the size of the ministry—you do have the policy development group and the information and analysis group working together constantly, using one another's talents, using information and backup information one for the other. Take, for example, the development of the blended price system. That involved every section of the ministry—policy development, regulatory affairs, information and analysis, the deputy, the minister, everybody in the ministry—in various aspects of the material developed in the ministry that resulted in us deciding to take that particular position. We tabled at the federal-provincial conference the rationale for our proposal, which was available at the time. Again, if you don't have it, I'll make sure you get it so that you can see the kinds of things that are produced by the ministry in arriving at policy decisions.

We're involved, as Mr. Thacker mentioned, in the IPACE — Interprovincial Advisory Council on Energy—study on grids. Ontario was, in fact, the province that pushed that on a national basis to get a national study of grids to determine the potential, the cost and so forth.

If you want to look at natural gas supply or any supply, then again I'll provide you with copies of our interventions before the National Energy Board, before the Alberta Energy Resources Conservation Board, so you can see the kind of material that we produce. It's not developed in isolation, an individual, and then just all of a sudden shot through the minister's office out to the light of day. Everybody in the ministry gets involved in these things, that's the advantage of having a small policy-oriented ministry.

[4:30]

Ms. Gigantes: It seems to me there might be a difference here between a meeting where people sit down and everybody participates and there are no rules of order,

there's nobody who reports afterwards, there's no structure in the meeting for information to be gathered together, no way in which it gets evaluated on a holistic basis in this structure, because everybody reports to the deputy minister. I just don't see how that can function.

Hon. Mr. Timbrell: That's no different—if you look at any ministry organization chart you'd see the minister at the top, the deputy and then whatever is the organization below, and you could make that same statement about every ministry.

Ms. Gigantes: No, because there are in most organizations — certainly in Ontario Hydro we demanded, on the select committee, to know who was doing the evaluation, which groups were involved in the ultimate evaluation of, for example, generation choices. We wanted to know how one structure related to another, how the information flow went through, and here I am not talking about how information gets back to greenhouse growers. Obviously that can be done within one group, communicating with other ministries in a very natural kind of way, and I am certainly not against communication among 44 people. What I am asking is, considering the kind of comments that Isbister has made, is this ministry adequate to the job in financial terms? You've got a 5.6 increase in funding which doesn't keep up with inflation over the last three years. You also have a floating kind of structure which Isbister in his study—and it was a detailed study and while I don't agree with all the recommendations, he seems to come up with a conclusion which I would have to agree with, having listened to this minister and members of the ministry talk for the last year—comes to the conclusion that this ministry is not organized and not directed well enough to be able to tackle the job.

Hon. Mr. Timbrell: Oh now hold on, he did not say that.

Ms. Gigantes: That's what it seems to say to me.

Hon. Mr. Timbrell: Dr. Isbister was looking at the future. This was in the section of his report that dealt with crude supply and he was talking about, as we interpret it, a broader role for the ministry in the business of crude supply than is the case now. You are, with respect, completely off base to suggest that that portion of the commissioner's comments was devoted to the overall operations of the Ministry of Energy. That is completely wrong.

Ms. Gigantes: He said: "One of the major consequences would be to elevate the Ministry of Energy to a level where it would be staffed and supported to contribute to the national policy framework that is required to deal with the new problems."

Mr. Makarchuk: That is hardly talking about crude, is it?

Ms. Gigantes: He is talking about crude.

Mr. Chairman: He is talking about crude.

Ms. Gigantes: He is also talking about our approach to energy problems in Ontario, crude being one aspect.

Hon. Mr. Timbrell: Yes, but if you would care to read the sentence that goes before that—

Ms. Gigantes: Yes.

Hon. Mr. Timbrell: It says:

"This report foresees a more active role for the government, an expanded style of involvement and a longer time horizon than hitherto in relation to the future procurement of crude for the Ontario marketplace."

Ms. Gigantes: Yes.

Hon. Mr. Timbrell: So what I am saying to you is—and you can take it any way you want; you choose to take it one way for reasons of your own intentions—as I read that recommendation what he is saying is that he foresees a possibility of the government becoming more involved in the business of procuring crude supply than is the case now in any province except Alberta and Saskatchewan.

Ms. Gigantes: Again these are policy questions which we could discuss under the policy item. I don't think that is what he means, according to the recommendations he has made.

Mr. Rowan: Ms. Gigantes, if there is any doubt or concern in your mind that we have a floating, as you call it, organization structure and that we don't have a reasonably well defined process for the development policy within the ministry, I would be delighted to go through any issue that you might like to name that has happened in the last little while to identify the process that we did institute within the ministry to come up with a policy, if that was the end result, and the assignment of responsibility across the ministry as appropriate. As the minister has said, we would be very happy to compare that end result—policy, position paper or

whatever—with any other jurisdiction in this country anywhere. We have, as the minister said, the finest group of experts in the energy field that has ever been assembled in Canada. It has, I think, been a hallmark of the Ministry of Energy since it was established in 1973 that it does meet deadlines; it does bring together teams of people, both within the ministry and in other ministries, to come up with quality work. Now just because the Ministry of Energy has 44 or 45 people doesn't mean to say that we don't draw on the capabilities of people within Treasury, within Environment, within any one of the ministries of the government as the occasion requires.

Mr. Bullbrook: The Secretariat for Resources Development; do you draw on it?

Mr. Rowan: We draw on it as required.

Hon. Mr. Timbrell: It's a reciprocal—

Ms. Gigantes: Why is it that we get to petroleum products pricing in the year 1975-1976 when we have to send the problem to a royal commission?

Mr. Rowan: There are many ways in which policy can be developed: Royal commissions are one, select committees are another, task forces are a third and internal ministry people are a fourth. The circumstances at the time—back in 1973—suggested that a royal commission was a most appropriate way for dealing with the increase in price of petroleum products. It's a government decision which I think at the time was applauded by the people of Ontario and by all parties.

Ms. Gigantes: But could I suggest that perhaps we applauded it because we didn't have any policy forthcoming from the ministry?

Hon. Mr. Timbrell: Well, we have to put this into some kind of perspective of the period in which we were dealing; we had just in the year and a half previous to the establishment of the royal commission seen, first of all, a significant jump in 1974 in the price of crude oil, based on certain stated objectives of the dominion administration and of certain producing provinces. By 1975 the analysis of the ministry showed that in fact those objectives had not been met, that what had occurred was that those same governments had instead taken advantage of the increase in revenue generated by the increase in the per barrel crude price to generate more funds, whether it be for the central revenue fund or treasury of the fed-

eral government or the consolidated revenue fund of the producing provinces.

You will recall that as a result we took the position that there should not be any increase in 1975, that it was not justified. Notwithstanding our position, which was supported by three other provinces of the Dominion—one of them governed by your party, another by the Liberal Party and the fourth by the same party as this government—it was determined that the government would institute a price freeze, Bill 133, Petroleum Products Price Freeze Act, and coincident with that the government would establish a royal commission that would advise the government on what should be done in future years with regard to petroleum product freezes and pricing.

Since it was obvious—it was a stated intention of the federal government and of the governments of the producing provinces—that this was not going to be the last increase, that they were still going to move toward world prices, it was a situation where we needed to have the issues publicly aired, and also the advantage of the counsel of independent observers to take on a job in a period of time much shorter than if we had done it ourselves. It could have been done, we could probably have done it. It's true it would have taken much longer, because of the numbers of staff; and I think we have to deal with the question of cynicism, perhaps—in that regard I think, on an issue as sensitive as this a royal commission perhaps has more credibility than an internal organization.

Ms. Gigantes: I wonder, as you do your synopsis to recollect the creation of that commission, if you also remember there was great public concern about the use by the oil companies of old oil and a collection of new money on that old oil? I suggest to you that was one of the principal causes for the government undertaking the royal commission. It was to defuse that issue and suggest what should happen, on the next increase, with the reserves of old oil.

Hon. Mr. Timbrell: It was a case of—

Ms. Gigantes: I wonder why a well-informed Ministry of Energy wouldn't have a better kind of estimate of the existing reserves and policies laid down for existing reserves than NDP research was able to come with at that time, which created the public discussion.

Hon. Mr. Timbrell: I'm sorry; you folks are forever rewriting the King James version, taking credit for everything.

Ms. Gigantes: I like the King James version the way it was.

Hon. Mr. Timbrell: Well, so do I, not your version. The discussion was there beforehand. The concern had been expressed beforehand by myself, by my colleague the Minister of Consumer and Commercial Relations (Mr. Handleman), by ministers in the other provinces, including M. Cournoyer in Quebec, Mr. Evans in Manitoba, Mr. Pace in Nova Scotia and others.

As for your inventory figures, as I recall, your inventory figures were something in the order of 108 or 109 days and this really is off vote 1801—but the government ended instituting a price freeze of 134 or 138 days. The royal commissioner came down with a formula which I've never seen a reaction to from your party, but a formula that suggested that in point of fact a freeze in the order of 30 to 40 days was justified.

Ms. Gigantes: That would have taken care of the second one, and our recommendation was based on the two price rises, the two inventory profit margins that the oil companies had.

Hon. Mr. Timbrell: I'm sorry. As I recall—and there are some of us around the table who were in the House at the time; with respect, you weren't—it was for 1975 that your leader took that position.

Ms. Gigantes: That's right, because of the 1974 profit margins of the oil companies.

Hon. Mr. Timbrell: The point is, in something as emotional as this issue, obviously it's better to make policy decisions based on facts, not on assertions stated for political purposes.

Ms. Gigantes: You're quite right in recollecting the amount of concern that was expressed.

Hon. Mr. Timbrell: By all parties.

Ms. Gigantes: But that concern never took the form of policy after the 1974 price increase and those inventories of old oil netted the oil companies new money. That was one of the reasons the royal commission was established and I think that in a situation such as this, and the commissioner was well aware of that, in a situation like this he questions, and I have to question, whether the Ministry of Energy is doing a proper job.

Hon. Mr. Timbrell: Let's go back to your assertion—again it's away off 1801—but I'd like to see your detailed analysis of the recommendation of the royal commissioner

on price freezes. His conclusion was that 30 to 40 days was the appropriate range.

Ms. Gigantes: For the second price increase.

Hon. Mr. Timbrell: The freeze in 1974 was 45 days, so in fact that freeze as well exceeded that which the royal commissioner recommends and discusses in some detail. So the royal commissioner wasn't in any way trying to inject himself into any political arguments. What he was doing was, at the behest of the government, trying to find the facts and advise the government, so that the government could make some concrete policy decisions not to see—in speaking of the government—not to see the situation protracted where statements—it's the old story of what you can do with figures—not to see that process continued, but rather to put it all on the table, let a royal commission look at it and tell us what, in his opinion, are the actual circumstances of petroleum product pricing in the province, what is an appropriate mechanism to deal with petroleum products pricing, what would be appropriate lengths of petroleum product price freezes.

Ms. Gigantes: Let me say simply then that I share the expression of concern by Dr. Isbister and I share his ideas about what directions Ontario should be moving in in terms of developing an Energy ministry which can meet the scope of the problem that we face.

[4:45]

Hon. Mr. Timbrell: I appreciate the concern. The fact that we're changing the structure is surely evidence that we want to keep it in tune with the demands on the ministry and its mandate. I would like to know some specifics about where you think—in preparation of a submission to the National Energy Board, for instance, on natural gas supply and demand, or before the Alberta Energy Resources Conservation Board on Alberta's coal policy, or before the National Energy Board on TransCanada Pipe Lines rates, or with the other provinces on interprovincial grids or with the other provinces and the federal government on oil and natural gas prices—where, based on your analysis of the material which we filed, you think we were wanting, the areas which perhaps you think we either didn't cover at all or which we could have covered better. I haven't heard that this afternoon but I would like to hear it. I would like to see it.

Ms. Gigantes: These are questions which I would like to raise under policy discussions.

Mr. Spence: Mr. Chairman, has the minister inspectors of energy who inspect these gas lines that go across the province of Ontario?

Hon. Mr. Timbrell: There is an inspector in the Energy Board whose job it is to work with or oversee the construction of new lines. As far as the ongoing safety inspections are concerned, that is a function of the Ministry of Consumer and Commercial Relations in the energy safety branch.

Mr. Spence: It seems some of these old pipelines get porous and a lot of energy leaks and some of the landowners have brought it to my attention in the last two or three weeks. There is so much in the paper about conservation of energy and we find some of the farmers want to come up secretly and tell you: "I wish you would come and look at the holes blown in this farm or that farm." They feel that some of these gas lines should be replaced but they continue to waste our gas flow and I said I thought there must be inspectors that go over these lines.

Hon. Mr. Timbrell: As I understand it under the guidelines laid down by the energy safety branch of Consumer and Commercial Relations, the companies are responsible for inspecting their lines regularly. For instance around Toronto—and I know this is true of all of the utilities—you will see, for instance in Toronto, Consumers' Gas vehicles going around and they have a device which comes out of the right front of the vehicle and it's connected to sensing devices inside the van that pick up any problems as they travel the streets where their lines are. What I would suggest is that you—in these cases, is it Union Gas or is it—

Mr. Spence: Yes.

Hon. Mr. Timbrell: Has anyone, either you or your affected or concerned constituents, contacted the Union Gas office in the area to report them where they have exploded or where they can smell the seepage?

Mr. Spence: It seems that the landowners hesitate. They don't want to let it be known that they are the ones that are informing about these leaks among these old gas lines where they say there are blowouts along the line which are big blowouts and they are concerned when they read so much about conservation of energy that the minister lets these things happen.

Hon. Mr. Timbrell: It is not a matter of letting them happen, believe me. If you want

to tell me where they are, then I will pass that on to Mr. Handleman and his staff, but certainly your constituents shouldn't feel any hesitation whatsoever in just phoning in the local office of the gas company and reporting where they have smelled gas leaking or whether there has been a blowout. They would detect it right away because it would show up in one of their compressor stations.

Mr. Spence: That must have been going on for a very long time because—

Hon. Mr. Timbrell: There are a lot of very old systems in the province dating back to the turn of the century which started out as smaller gas companies and then over the years have been bought up by other companies.

Mr. Spence: And sold to another company.

Hon. Mr. Timbrell: Yes, this is not uncommon so there are some very old systems, portions of which are being replaced regularly.

Mr. Spence: When we have to conserve energy at the present time, it looks as if there's something wrong that this should carry on and landowners hesitate to say anything about it. I don't know whether the gas companies can come back on these fellows and make it rough for them—

Hon. Mr. Timbrell: No.

Mr. Spence: —or why they would want to keep it so secret.

Hon. Mr. Timbrell: It's a question of safety. While the companies are responsible under the guidelines, as I said, for the ongoing surveillance of their lines, certainly you as the member for that riding can phone up the Ministry of Consumer and Commercial Relations and say that in this area or these areas you think there's a problem; would they get in touch with the companies and make sure it is inspected? It will be followed up. You do lose energy in transmission—I don't care whether it is an electrical transmission line or a gas line—but the point is to keep your losses to a minimum.

Mr. Spence: But not to the extent that you have tremendous holes along the gas lines.

Hon. Mr. Timbrell: No.

Mr. Kerrio: A question on this subject: Are the flying cross-country inspections carried on by one of the branches of the ministry or by the private gas companies? I'm certain

there are regular airborne inspections of cross-country gas lines.

Hon. Mr. Timbrell: This would be carried on by companies, by TransCanada Pipe Lines. I think they're using infrared photography for that, are they not? In some cases? Do you know that?

Dr. Rowe: I don't believe so. They are using infrared photography, of course, in flights over electrical transmission lines but not, to my knowledge, over gas lines.

Ms. Bryden: There is one subject I wanted to discuss—it seems to be the orphan of the ministry—and that's the price of natural gas. We have royal commissions on the price of crude oil and hydro and things like that but there hasn't been much said about the tremendous increases in natural gas.

I know the minister is going to say that's subject to regulation by the Ontario Energy Board and we can't do much about the price of gas at the provincial boundary. However, I am going to suggest that perhaps there are some things we could be doing because the increase in natural gas has been, I think, greater than the increase in oil over the past three years. It accounts for about 24 per cent of our energy utilization in this province. It is used by industry; it has quite an effect on jobs. The increases have had a significant effect on the inflation rate.

I think something we would like to know is what the ministry is prepared to do about these price increases. In the Metro Toronto area there have been eight increases since 1973 and there is another one forecast for January, 1977, which, according to the leaflet sent out by the Consumers' Gas Company, will amount to about 18 per cent over the next heating season. In the Niagara Peninsula, I understand from my colleague, the member for Welland, there has been a 130 per cent increase in 2½ years in natural gas rates.

I think this is something we should be looking at. In his statement the minister said the ministry was in the process of a thorough evaluation of its position with respect to a number of items including energy pricing. "The mission of the ministry reflects Ontario's fundamental consumer orientation," he said, so this is an area where the consumers are very seriously affected.

I have made a rough calculation of a typical consumer. It's hard to define a typical consumer and the rate structures are very complicated. Assuming he uses 144,000 cubic feet a year—I think that's the ministry's own estimate—and has a certain amount for water

heating and cooking, our research people have estimated that the typical consumer's costs in 1973 would have been about \$256 and are now about \$494, which is almost double in three years.

I notice the annual report on page 4, under natural gas, says that there was a comprehensive policy statement on September 4, 1974, but we haven't heard much about this subject since then. Among the stated goals, according to the minister's annual report, are prices that are reasonable for both consumer and producer, adequate natural gas supplies now and in the future and an efficient and rational natural gas supply, transportation and distribution network.

I would like to ask the minister several questions as to what he's doing in this field. One is what changes in the transportation and distribution network is he contemplating as part of this review of natural gas? I would like to know if he is actively opposing the federal policy to raise natural gas prices to the oil equivalent in terms of Btu? The federal government has gone along with this policy but it seems to me it is just putting some more windfall profits into the hands of the natural gas producers and it would be more sensible to be thinking of establishing a national stabilization fund to keep natural gas prices down.

If you contemplate natural gas, it is usually found as a sort of byproduct of the search for oil so that the exploration costs are not particularly high. In fact, it's questionable whether they should be considered anything above zero if it's found as a byproduct.

Hon. Mr. Timbrell: I'm sorry—a byproduct? And zero?

Ms. Bryden: You find natural gas often when you find oil—in many cases.

Hon. Mr. Timbrell: But often you find just natural gas.

Ms. Bryden: Sometimes.

Hon. Mr. Timbrell: More often than not, in terms of deliverable quantities.

Ms. Bryden: But where it's found in conjunction—

Hon. Mr. Timbrell: What is that based on? Is that based on National Energy Board figures on the cost of exploration or something?

Ms. Bryden: No.

Hon. Mr. Timbrell: What is it based on?

Ms. Bryden: Just that there are cases where natural gas is found—

Hon. Mr. Timbrell: Sorry?

Ms. Bryden: When you are exploring for oil, in many cases natural gas is found.

Hon. Mr. Timbrell: I haven't explored for oil; I didn't know you had. I would be interested in your source, that's all. I would like to see the figures.

Ms. Bryden: The question is are we going along with this proposal to raise the natural gas price to the equivalent of oil particularly when that differential has been built into our industry in Ontario? It would change their competitive position quite substantially. Some of them might decide they had to convert to other perhaps more polluting forms of energy, if we do go along with that federal proposal to keep raising natural gas until it is equivalent to oil in terms of Btu. That's the second question—are we opposing that?

On the question of rate schedules, are the rate schedules under review constantly to see that they provide not only conservation by some sort of an inverted schedule but also encouragement for industrial use and industrial development in Ontario; and whether the incidence of increases is going to price Ontario industry out of the market? In certain areas, it might lead to consideration of an alteration in the rate schedules to prevent that.

Some of the residential consumers have noticed that there have been changes in rate schedules which might be considered hidden price increases such as the removal of the three- and four-star programmes. This may also be desirable to increase conservation—it used to be the more gas you used, the cheaper it was. They have eliminated that in many cases which has amounted to a hidden price increase, though, for people who had built their houses to use three or four gas appliances in order to get these special rate schedules.

I would like to know if changes like that have to be approved by the Ontario Energy Board or are they allowed to increase the price by this method as well. Also, there are changes in the interest charged for late payments. I gather if you're one day late you pay five per cent which could be a very high rate of annual interest.

[5:00]

My final question is on the proposal in the bill before the House that the rate base be changed to permit gas companies to

charge to the rate base the costs of investment, exploration and development for new gas supplies. I wonder if this is the way to finance investment development, that is, from the customers according to their usage of natural gas. It could be a rather regressive way of raising this money.

It may be that the money will be used for things like the Mackenzie Valley pipeline which many people think will actually raise the cost of gas because it will siphon off gas supplies to the US. It may mean that the more distant gas will have to be used by Canadians when we start to need additional supplies. I think we should be looking very carefully at any suggestion that the rate base should finance investments in the Mackenzie Valley pipeline.

I would like to know what the minister's views are on what that change in the rate base might be used for and whether he thinks the customers should be paying for that kind of investment. They probably won't own the gas when it is found; they'll end up paying for it as well.

Ms. Gigantes: Mr. Chairman, should we be discussing this under vote 1801? We're getting into policy.

Hon. Mr. Timbrell: I was just going to say I think this is touching on vote 1802 and the Energy Board to an extent.

Ms. Bryden: I've just about finished, really. My final question is: Has the minister given any thought to the suggestion of tax credits to offset high energy prices? It seems to me these are some of the things he might be doing in order to overcome these very high increases which are hitting consumers—particularly people on fixed incomes—with more than they can absorb in a single year and are adding to our inflationary costs.

Hon. Mr. Timbrell: I just wanted to get your first question—I didn't write it down.

Ms. Bryden: It was about the question of—on page 4 of your annual report you were suggesting that we need an efficient, rational—

Hon. Mr. Timbrell: Distribution—

Ms. Bryden: —supply, transportation and distribution network—particularly distribution since that comes within the province much more. Are there any plans for it?

Hon. Mr. Timbrell: I think your question was is the government considering the possibility—if I can read between the lines of what you're asking—of getting into the natural

gas business? In other words, nationalization, which your party has recommended.

Totally aside from the basic philosophical chasm that exists between our parties on that, there is the practical side of it. I don't see that nationalization of companies which are Canadian-owned whose rate of return is regulated by the Energy Board and which must compete with government in the capital markets for moneys necessary for their capital projects, would put the people of Ontario any further ahead. They'd be further behind inasmuch as the government would have to come up with the money to pay for those companies. If your question is are we going to change our policy and accept that of the New Democratic Party, the answer is no.

Ms. Bryden: What did you have in mind when you suggested that one of your goals was a—

Hon. Mr. Timbrell: We're looking—

Ms. Bryden: —distribution network?

Hon. Mr. Timbrell: We're looking at the national system as well as the local; looking at the development of pipelines in Canada to serve the Ontario market. This does get into the question of a Mackenzie Valley pipeline versus—pardon me, the possibility of a Polar Gas pipeline, timing, the deliverability of gas, economic feasibility of the various projects, routes, and so forth. It was never intended that we would be saying that we would come up with the conclusion that nationalization of the natural gas distributors would be government policy. That's been looked at. The member for Welland-Thorold (Mr. Swart) is a particularly strong advocate of this, and every time we look at it we say, "Where's the benefit?" There is no benefit to the people of Ontario in that. It's just going to cost them a lot of money to acquire the companies and they're not going to be any farther ahead.

Ms. Bryden: That's questionable when there are profits involved.

Hon. Mr. Timbrell: I really don't think it is questionable if you look at hard dollars and cents. They're not going to give us these companies. You're going to have to pay for them.

Ms. Bryden: Out of the profits perhaps.

Mr. Kerrio: I think they would pay if you took them.

Ms. Gigantes: I don't know where the minister gets this idea that it is NDP policy to nationalize the gas distribution system in

this country or this province. He's just off base on that and it has nothing to do with any statements that may have been made.

Hon. Mr. Timbrell: I'll get you the reference.

Ms. Gigantes: When he says that the gas pipelines are owned by Canadians, certainly the export division of the pipeline companies is owned by Americans. Those are the ones that have caused us the problems. While the minister is looking it up, I would like to put on the record the TransCanada net income for 1974 was \$33.5 million, in 1975 it was \$52.4 million, and for the first half of 1976 it's \$31.7 million. So it wouldn't take long, with those profit margins, to be able to pay for it.

Hon. Mr. Timbrell: We're not talking about the TransCanada Pipe Lines. Let me find here what I was talking about. What we're talking about is the stated position, going back over a number of years, of your leader and of the member for Welland-Thorold on the natural gas distribution companies in the province of Ontario. We're not talking about TransCanada Pipe Lines. TransCanada's rates are regulated by the National Energy Board, and we do take part in those cases. In fact, there was a major case in 1975 where TransCanada was trying to adopt a new tax deferral system which we strongly opposed, and which saved the people of Ontario millions of dollars a year. The National Energy Board agreed with us in that case. So we're not talking about TCPL, we're talking about Union Gas, we're talking about Consumers' Gas, we're talking about Norsand, we're talking about Medina, all of the numerous smaller companies. That's what we're talking about.

Ms. Gigantes: With respect, Mr. Minister, one of the problems that I tried to raise under this first vote, and I don't know which vote we're on now, is that—

Mr. Chairman: We're still on 1801.

Ms. Gigantes: Yes, well maybe we should dispense with 1801, and get on to 1802 then—

Mr. Lane: Maybe we should get a new speaker.

Ms. Gigantes: —because it seems to me we're just slopping over into 1802.

Mr. Chairman: I think Ms. Bryden asked some questions, and with all due respect to Ms. Bryden I think she should have the answers.

Ms. Bryden: Thank you, Mr. Chairman.

Hon. Mr. Timbrell: Okay, the deputy is looking up the reference. Your next question had to do with the existing federal policy as regards the indexing of natural gas prices to those of crude oil. This was initiated in 1975 by the federal government at which time they set the index at 85 per cent. We weren't particularly happy with that and, again, if you look at the record of that conference then you will see that both the Premier (Mr. Davis) and I put on the record that we were not happy and opposed the indexing. In 1976, that having been put in place by the federal government by virtue of its authority under The Petroleum Administration Act, whereby it regulates the prices of crude oil and natural gas when it travels in interprovincial trade, we very strongly opposed, and were supported by the provinces of Manitoba and Quebec in this regard, the possibility that that index will go any higher.

You mentioned the effect on Ontario industry. What we were finding was a number of instances where even at 85 per cent, natural gas was becoming uncompetitive with bunker C oil; that, in fact, some of our gas companies were losing customers to bunker C oil and some of it from offshore, rather than Canadian gas. At the present time, the index is still 85 per cent and we fully intend to fight again to keep it at 85 per cent and not to see it go any further.

I just perhaps refer you to the answer to the earlier question.

Ms. Gigantes: Yes, to eat my pipeline.

Hon. Mr. Timbrell: I'd be quite happy to serve it.

Ms. Gigantes: I can see the grin.

Hon. Mr. Timbrell: Yes. Now this is quoting from a statement distributed by your party in 1975, entitled Resources and the Environment. You're no doubt more familiar with it than am I. But it says, quote—

An hon. member: Don't hurt me, we didn't know about this.

Ms. Gigantes: I don't have a whole ministry there ready to point it out when you—

Hon. Mr. Timbrell: Is that on the record? Is that on the record, Mr. Makarchuk? That's good.

"In response to the need for the preservation and development of our energy resources the NDP would: continue and expand the work of the Ontario Hydro-Electric Power

Commission and would speed implementation of this principle of power at average cost;"—that sounds familiar in relation to the cost and pricing study—"continue to experiment with nuclear energy and encourage research re improved methods of using traditional fuels; nationalize energy resource industries in Ontario not now in public ownership; establish a publicly owned gas distribution system similar to Hydro . . ."

Ms. Gigantes: That sounds like not a bad idea.

Mr. Ruston: Oh no, not another thing like that. We have enough trouble with Hydro now, let's not get into gas too.

Hon. Mr. Timbrell: Just so the record is clear. Now going on with my answer to your second point—

Ms. Bryden: I would like to say that I'm glad to hear that the minister is still fighting that proposal to equalize natural gas and oil prices.

Hon. Mr. Timbrell: Yes. Your next comment had to do with exploration costs. I don't have any particular figures in front of me and I'm not a geologist, sorry. Perhaps the comments and the figures which the hon. member made and used before were prepared by a geologist. I'd like to know the source. But it's my understanding that—and maybe Mr. Clendinning had better come up to the table to correct me where I may be wrong here—while it's true that in some instances you do find natural gas in some quantities when you're drilling for crude oil, there are areas of the western sedimentary basin and in the delta and in the Arctic Islands which, based on seismological surveys and on-site surveys are shown to be gas-prone and where, if you're successful, all you find is gas.

So to suggest that the cost of gas exploration, whether it's in the western sedimentary basin, in the far north, in the eastern Arctic Islands, on the Labrador shelf or in Kent county is zero, is really flying in the face of reality. I think you should go down to Kent county or to Essex county and talk to some of the people who are in the business of exploring for gas and find out if they're doing it out of the goodness of their hearts or if it's just a pastime that doesn't cost them anything. In point of fact, it costs quite a bit. Do you want to add anything, Mr. Clendinning, as to the recent experiences in the costs of exploration? Ms. Bryden is particularly interested in costs of gas exploration but you might touch on oil as well.

Mr. Clendining: Other than the fact that the cost of finding and producing is much higher in the frontier areas—and I don't have any specific numbers at hand—if that's the area you're speaking of, I don't have anything to add. I did make a note when Ms. Bryden was speaking—and I may have got it wrong—that natural gas was a byproduct of oil production? Did I get that down right?

Ms. Bryden: That you find it at the same time in some cases.

Mr. Clendining: Is this part of the matter that you're speaking to, Mr. Minister?

Hon. Mr. Timbrell: My understanding, and please correct me if I'm wrong, or expand on it, is that at times when you're drilling for oil you will find some traces of gas at the same time.

Mr. Clendining: And vice versa.

Hon. Mr. Timbrell: And vice versa.

Mr. Clendining: Oh yes.

Hon. Mr. Timbrell: But that there are such things as gas-prone or oil-prone areas based on various seismological and geological analyses.

[5:15]

Mr. Clendining: Which is what you have just finished saying. That's correct, there are geological areas which are more favourable toward gas, gas-prone if you wish, and toward oil, oil-prone, and there are areas which may appear to be one and in fact are both.

Ms. Gigantes: Is it not true to say that the major northern discoveries of gas in the last few years have come about through oil exploration?

Mr. Clendining: That's a difficult question to answer. I think the fact that the initial exploration was done by oil companies a number of years ago looking for oil—

Ms. Gigantes: Just in the last two or three years?

Mr. Clendining: No, I think in the last two or three years, if you are speaking of the frontiers, the Mackenzie Delta for instance, that gas has been the prime target. As knowledge of the geology has unfolded, and those wells that did find gas became known, the emphasis has been on gas. After all, the Mackenzie Valley gas pipeline has been in the books for six or seven years, perhaps 10 years, under study. So gas was certainly the prime objective. Really I would have to

say that when they are exploring they are looking for favourable reservoirs which could contain either.

Mr. Williams: Mr. Clendining, can you clarify the point that you were making on Ms. Bryden's observation that gas was a byproduct of oil research and discovery? Is that a valid observation or is that somewhat naive?

Mr. Clendining: I think it is perhaps oversimplification. It's like saying carrot greens are a byproduct of growing carrots. The two go together. In the production of oil, forgetting the exploration issue where you could find either, in the production there is frequently gas in the oil itself and it has to be separated from the oil at the surface. If the quantity is sufficient, in fact under current conservation practices, it's not a matter of how much gas there is in the oil stream, it's separated anyway and put into a separate system and ultimately finds its way into the gas gathering systems. That's gas which is produced as part of the oil production. I suppose in that case you could say it was a byproduct because oil was the prime product from the oil field.

Ms. Bryden: I think really what I was trying to say was that the costs of exploration and development of natural gas were probably not as great as a lot of people think. Certainly Bruce Wilson has recently been saying that the petroleum companies have been holding us to ransom in suggesting that they need extra money for costs at the moment, in the light of their profits.

Hon. Mr. Timbrell: That gets into another area. With respect to what Mr. Wilson has been talking about that has really been quite supportive of the two price system that Ontario has advocated at the national level. I wonder if maybe Mr. Clendining can comment on what we know of exploration cost changes in the last few years.

Mr. Clendining: I am afraid, just speaking from memory, Mr. Minister, I can't quote you numbers. I can probably dig some out of our records. I just don't have them in my notes with me.

Hon. Mr. Timbrell: It's okay.

Mr. Clendining: Other than the obvious conclusion that the costs of getting into the frontier areas obviously are considerably more. Hard numbers in terms of dollars per foot I just don't have with me but they're certainly available.

Hon. Mr. Timbrell: Perhaps we can get those.

Mr. Clendining: Will do.

Mr. Makarchuk: On this same topic, Mr. Chairman, admittedly the new wells cost more to put into production whether they be gas or oil, but at the same time the prices of the old wells, the old production, the producing wells that were drilled five, six, seven, eight and 10 years ago, the production costs on those are quite low at this time. In fact, the figure for oil is probably under \$3 and for gas I'm not sure what it is. Considering the oil price now is about \$9.75, the world market price, going to \$11.50—

Hon. Mr. Timbrell: No. No. It's \$9.05 average wellhead to about \$9.85 delivered at Toronto.

Mr. Makarchuk: Okay. You stated that you had a complete and accurate and very analytical department. Could you give us a breakdown on just exactly what is the cost of that oil that is flowing through the pipelines from Alberta right now, taking into account both?

Hon. Mr. Timbrell: Where it goes?

Mr. Makarchuk: No, no, not where it goes. Just exactly what is the cost of production of that oil.

Hon. Mr. Timbrell: It varies. For instance, the Alberta Petroleum Marketing Commission puts out monthly or bimonthly schedules—

Mr. Clendining: No, just as price changes warrant.

Hon. Mr. Timbrell: —as necessary—schedules of the prices that average out to \$9.05 but they will vary significantly.

Mr. Makarchuk: Yes, but really you don't know exactly what it costs to produce that oil, do you? You have no source of information to indicate that oil company A has so many wells producing oil that was brought in at \$2 a barrel or \$3.25 a barrel, and so many brought in at \$5 and so many at \$6 or whatever it is—the total cost of production, and naturally the average price or blended price that's coming out of there. You really don't know what it costs.

Hon. Mr. Timbrell: They allocated a well-head price per field and by well in many cases.

Mr. Clendining: Based on the quality.

Hon. Mr. Timbrell: Yes, and based on gravity and so forth.

Mr. Makarchuk: Yes, but do you have those?

Hon. Mr. Timbrell: If you'd like to see a copy, we can get you a copy, sure, of those schedules that are put out by the Alberta Marketing Commission—

Mr. Makarchuk: Yes, but I'm not interested—

Hon. Mr. Timbrell: This is the point, though, of the blended price system that we advocated. That was, if you will, a freeze on the price of crude oil particularly that was coming from fields brought into production before April 1, 1974, and allowing a higher price on the fields brought into production after that date, recognizing that the costs of exploration had risen dramatically in the 1973-1975 period. When you're talking about exploration and development of the tar sands or in the heavy oil deposits of Alberta, Saskatchewan or in the far north, you're talking about even more drastic increases in the costs of exploration and development. That was the whole genesis of that policy, which your party opposed, with all due respect.

Mr. Makarchuk: We'll discuss that later. What you're saying is that you have available to you the cost of production for the various companies for Gulf, for Texaco, for Imperial—

Hon. Mr. Timbrell: What I am saying is that we have the Alberta Petroleum Marketing Commission bulletins, I think they call them, that are issued from time to time and indicate the prices, and this is based on gravity, other conditions, and so forth, that will be allowed in taking that oil into the gathering system in the province of Alberta.

Mr. Makarchuk: Yes, but what I'd like to know is whether you have the price and indication of the costs of production of the oil that's coming through for the various companies. It seems to me that if you have those kinds of figures, you're in a much better position to argue about the pricing of the oil, about the profits, about everything else.

Hon. Mr. Timbrell: We have calculations that we have used for the federal-provincial conference.

Mr. Clendining: I don't have it with me.

Hon. Mr. Timbrell: Maybe if we can come back to that we'll see if we've got those papers.

Mr. Makarchuk: While I'm on this point, Mr. Minister, the other matter of concern is the last increase in price. It went up \$1.75 a barrel.

Hon. Mr. Timbrell: No, no, \$1.05.

Mr. Makarchuk: Was it? I'm sorry, that's the next—

Hon. Mr. Timbrell: And 70 cents prior to that.

Mr. Makarchuk: That's right. I just took it together. Do you have a breakdown of that? There's been some confusion and various people have been saying so much is going to the province, so much to the federal government, so much to the oil companies. Do you have a breakdown, right now, to tell us exactly how that money is spent; out of that \$9 per barrel that is being paid, what is the sharing of the money?

Hon. Mr. Timbrell: If I can just trace three prices: the price in 1975 prior to July 1, after July 1 when it went to \$8 a barrel from \$6.50, and the price as it will be as of January 1. Are we using the figures from the Alberta Petroleum Marketing Commission?

Mr. Clendining: They are sort of a consensus of several sources including Alberta—not the marketing commission, but Alberta.

Hon. Mr. Timbrell: The government?

Mr. Clendining: The government, yes.

Hon. Mr. Timbrell: In the first case of 60 cents a barrel which would leave—let me just go through them one at a time rather than trying to go across—1975 then, pre-July 1: the price of a barrel of crude oil, \$6.50; operating costs 60 cents; which leaves production income then of \$5.90. The provincial royalty \$2.37 per barrel; provincial tax, 18 cents per barrel; and federal tax, \$1.01 per barrel, which left them a company cash flow of \$2.34 out of the \$6.50.

Post-July 1, when the price of crude went to \$8.00, over the last year the operating costs had moved to 70 cents a barrel which left a production income of \$7.30. The provincial royalty moved from \$2.37 to \$3.12 per barrel. The provincial tax moved from 18 cents to 19 cents per barrel; the federal tax from \$1.01 to \$1.11; the company cash flow went from \$2.34 out of \$6.50 to \$2.88 out of \$8.00.

Looking ahead to January 1, when it will be \$9.75, we're looking at again 70 cents a barrel operating costs, leaving \$9.05 (production income); the provincial royalty going

to \$3.97; the provincial tax—there have been adjustments in this area—dropping to 15 cents; the federal tax moving up to \$1.15 and leaving the company cash flow of \$3.78 per barrel.

This is based on assumption—and this gets into royalty structures and tax structures, federally and provincially,—of a level of reinvestment of \$3.00 per barrel out of that company cash flow—the production income.

Mr. Makarchuk: So what it really boils down to is the original of \$2.88 a barrel profit would produce something like 1,600,000 barrels a day in Canada. That gives the oil companies a pretty healthy—what is it?—in the \$3 million range; in the year that's a fairly sizable amount of money.

Hon. Mr. Timbrell: I think what you—

Mr. Makarchuk: And if you put up to \$3.78 a barrel at the same rate of production, then the figure goes up much higher.

Hon. Mr. Timbrell: Yes, well if you want to treat it in isolation, I guess you can do with the figures whatever you want. I think you have to look at the level of exploration in the country. You have to look at the cost of exploration where it's going on. It's not uncommon for them to drill wells now in the delta that can cost as much as what, \$10 million or \$15 million, especially when you add the Beaufort.

Mr. Clendining: Some in the Arctic are higher than that.

Hon. Mr. Timbrell: Yes, some are higher than that. I'm trying to remember one company I read about that drilled three at a cost of about \$40 million and two were dry. One came up with some deliverable gas.

Mr. Makarchuk: Yes, but we're not too sure. You know it and I know it that if you're drilling a well you produce equipment, you may have ships, planes, etc. It's the kind of equipment that isn't just used for the one well, that the charges—we really don't know at this time—

Mr. Williams: Point of order, Mr. Chairman: It would seem to me that Mr. Makarchuk came into the discussion on a supplementary question to Ms. Bryden's and he's been on the supplementary now for 15 minutes. It seems to me we've gone beyond it being a supplementary question. I think if he wants to discuss these matters, he should be put down on the agenda to speak.

Hon. Mr. Timbrell: Well, I was just going to suggest that there are a number of figures that would be, I think, of interest to Mr. Makarchuk which we can produce tonight, tomorrow, Thursday, whatever, that put it into some kind of co-ordinated picture rather than just taking it in isolation.

Mr. Ruston: Cheaper oil for that yacht. He has a 60-foot yacht.

Hon. Mr. Timbrell: I wanted to just finish answering some of the points raised by Ms. Bryden. I hope I made it clear that we have opposed the federal policy of indexing. We do continue to oppose any initiative on their part to index any further than 85 per cent.

On the question of rate schedules, these are subject to Ontario Energy Board approval. I don't know how much to tell you what to go into on that. The price of natural gas delivered to the city gate is established by the federal government. The only control we have over that is whatever influence we, and other provinces, can bring to bear at the conference table on the federal government in the exercise of their responsibilities under. The Petroleum Administration Act of 1975. From that point, the prices are subject to Ontario Energy Board approval.

Ms. Bryden: And what about those hidden price increases I mentioned of changing the three- and four-star programme or changing the rate of interest?

Hon. Mr. Timbrell: I believe that, too, was subject to the Energy Board approval. The chairman of the Energy Board is here. If you like, I can ask him to come to the table and deal with some of the specifics that you're interested in. Mr. Jackson, would you like to come?

Mr. Jackson: I think the rates that you were referring to were some promotional rates of the Consumers' Gas Company that they introduced quite some years ago when they were promoting additional sales of natural gas.

In the last year or two, our board has been looking much more closely at particular rates than in the past. In the past, provided the earnings overall were not excessive, more leeway was given to the companies to determine their rate schedules. Now, we are looking much more closely at them and looking at cost as the first determinant of just and reasonable rates. Naturally if they don't get the revenue from one class of customer, they're going to get it from another.

We do start from where we are and all the companies are moving in the direction

of rates that are more cost-based, so as to relieve themselves from criticism of putting up rates, which they have to put up anyway, farther than they need to go to some customers because of their subsidizing others. The company was unable to support these four different residential rates on the basis of costs when they came before us in the last year or two and were required to show cost justification for their rates to a greater extent than they have done in the past.

These were rates that were introduced for promotional reasons in the first place.

Ms. Bryden: So you don't really look at the incidence of the increases as much as your estimate of the cost of providing that service? It may be that some of these people had already invested in the appliances and all of a sudden they're getting an extra increase that other people weren't getting because of the promotion. They'd invested in extra appliances.

Mr. Jackson: We certainly do look at the incidence. You cannot with any accuracy or precision establish rates on the basis of the cost. You can't say that any rate is just exactly cost.

Ms. Bryden: Yes, I'd think it'd be very difficult.

Mr. Jackson: So what's happening is that the companies are getting rid of undue preference and subsidization as the rates go up so that people who have to suffer large rate increases at least can't complain that in doing so they're subsidizing other people who should be paying more. The board certainly does consider impact, and one way that they deal with that is by postponing the full impact of a move in the direction of cost-based.

You mentioned one case of very sharp increases in the Welland area. This is the old provincial gas area, Consumers' Gas Company. They had rates which were considerably lower than on the main Consumers' Gas system for historical reasons. When the company was being forced into sharp rate increases because of its increased costs of purchased gas, they had to have a sharp look at whether it was really fair to the main customers to take the full burden of the increase when they were subsidizing the consumers in the Welland area.

This was all put before the board in some detail and the company could not justify, under present conditions, the rate differential which was based on historical reasons. But the board required that the move to-

ward parity be done in two stages. So they went halfway one year and halfway in other years. I don't know whether the percentage you gave includes the whole amount, but the increase on a percentage basis would be higher and would be quite high in the Welland area, compared to the other areas of Consumers' Gas for that reason.

Ms. Bryden: I understood that was part of the situation in the peninsula. It seems to me this is where the ministry perhaps should move in to try and ameliorate—particularly on low- and modest-income people—the effect of very large increases much above the cost-of-living increase in any one year by some sort of programme of subsidization or tax credit.

Hon. Mr. Timbrell: First of all, I don't know whether you are suggesting that the rates should be a tool that is used. I think that is fraught with all kinds of dangers. Where do you draw the line? Where would you determine that certain individuals were entitled to rate support or subsidy or otherwise? In establishing such things as the GAINS payments and levels FBA and DWA assistance, the overall cost of living is taken into account, which includes cost of energy.

I think there is another basic consideration here and that is that in moving this way at the Energy Board, and moving in the way that Hydro is, in terms of the costing and pricing study—the proposal that has come from the study team for a new hydro rate structure—it is all very much with conservation in mind that you set your schedules according to costs realistically assessed and determined, and then charge what it costs for that particular commodity.

Conservation is not going to be aided and abetted by subsidies piled on subsidies. My own feeling is that you do something with the income levels, whether it is the GAINS programme or welfare assistance or family benefits assistance, not tinkering with the system and trying to use it as a social policy tool.

Ms. Bryden: Most wage earners who are not on social assistance are limited to 10- and 12-per cent increases. How do you expect them to carry 18- to 25-per cent increases in energy costs? They understand that energy costs are not controlled and they can't see why they should not be controlled when their wages are. It seems to me the government then has to ensure ameliorative action.

Hon. Mr. Timbrell: In the case of gas, though, they are controlled very directly in

the sense that the companies are regulated, that their rate of return on their operations is determined; first of all the rate base is determined by the Energy Board, and based on that rate base, a rate of return is determined by the Energy Board. So they are controlled, and always have been. But let's not try to kid anybody; I don't know how many times I have said this, and surely members of your party and all parties have said this; the days of cheap energy are over. The days when, relative to increases in income and relative to the increase in the CPI, that energy prices were declining, are over. If you take the last 25-year-period, the increases in energy prices of all forms are still below the 25-year increase in average industrial wages and CPI, but you are going to see sharper increases than you have seen. Let's not try and kid anybody.

Ms. Bryden: That is why a tax credit was suggested, I think in the Hydro price report, which can take account of income levels and does give you a way of measuring needs.

Hon. Mr. Timbrell: We do have a senior citizens tax credit now, and I guess at some point that is still a possibility, but not if it doesn't take into account the fact that what you could in effect be saying: "Don't worry about how much you use, don't worry about the conservation, just carry on and we will subsidize you." The two notions are counter-productive.

Ms. Bryden: Conservation by price only affects the people who are hard up.

Hon. Mr. Timbrell: There is no question, and I have said this repeatedly, there should not be an artificial component—this is where I took great exception to the federal government's introduction of the excise tax. Certainly the select committee said this, too, on hydro rates. There should not be an artificial component which is there for conservation; it should relate to cost.

Ms. Bryden: I think my last question was on the rate base proposal.

Hon. Mr. Timbrell: Bill 109 is still on the order paper but I don't know at this point whether it will be dealt with in this session so I think it is a little premature to comment on that until it is considered by the House, except to say I assume you have read the Energy Board's report on that.

This was one of those instances when we asked the Energy Board to review the question of rate base investments and to advise the government. Bill 109 reflects the advice that was given to the government by the

Energy Board which did hear interventions. I believe the Consumers' Association did appear in that case and I believe Mr. Kerekes was their counsel. Also some of the municipalities of the Northeastern Municipal Association appeared, I believe, Mr. Pope from Timmins was one of their representatives before the board on that but I can't remember who the counsel was. Bill 109 does reflect the results of that Energy Board hearing and the advice of the Energy Board.

The fifth point you raised was on tax credits and I think we have dealt with that.

Mr. Ruston: I have a couple of items. One I have in mind is with regard to conservation and this has to do with natural gas. There is always someone coming out with inventions and so forth which they claim will do certain things to save fuel. Have you ever heard of Thrifty Vent Incorporated? I think it is in Salem, Illinois. They have been having some trouble in the United States to get the invention approved but it has been tested by independent laboratories which claim it will save as much as 26 per cent in the consumption of gas if it is attached to furnaces. Have you ever heard of such an item in Ontario? Has it ever been imported to Ontario?

Hon. Mr. Timbrell: The name is not familiar to me. Perhaps it is to Dr. Rowe.

Dr. Rowe: What was the name?

Hon. Mr. Timbrell: Thrifty Vent Incorporated of Illinois.

Dr. Rowe: There are six related devices which have been assessed through our programmes, undertaken through the Ministry of Consumer and Commercial Relations. We have a contract with the Canadian Gas Association. It is a joint project whereby we put in 50 cents on the dollar. The contract is carried out on the premises of the Canadian Gas Research Institute.

The first task is to assess those devices which are on the market and their pertinence to the Ontario scene. As you are probably aware, under the energy regulations in the province administered by the Ministry of Consumer and Commercial Relations, devices of this type, dampers, are not permitted. They are not permitted because of the high risk to owners if they are improperly installed and do not open at the time the flame is ignited, and come on.

These dampers and so on have been evaluated by the Canadian Gas Research Institute—and other such heat saving and heat extraction devices—and the results are in a report which will be released within a few weeks

by the Canadian Gas Association through the Ministry of Consumer and Commercial Relations. The problem, quite frankly, is that the existing devices are not safe. In the view of the safety branch of the Ministry of Consumer and Commercial Relations they cannot be guaranteed safe because they are of a type which can be inserted into a pipe.

[5:45]

One of the recommendations in the report is that the manufacturers of the installations address themselves to the possibility of putting the dampers within the box or the structure—the gas burner itself—and make these available for new sales and then investigate the possibility of some kind of a retrofit package that the manufacturer might fit to his own device. The savings that are resulted—you note here 26 per cent—are not directly because of any kind of increase in the combustion efficiency. It is an improvement on what's called seasonal efficiency. It's because the dampers prevent house air from going up the stack at the time that the burner is not operating, and the report tells us that the combustion efficiency—certified by the CGRI and the Canadian Standards Association in bench tests—of some 75 per cent is reduced in operation over the entire season to something in the order of 55 per cent. In other words, when you actually install a furnace in the field, because of the losses up the stack, there is a 20 per cent reduction in the apparent efficiency of the burning system.

So I would argue that this 26 per cent quoted here in the Ontario environment is a little high, and slightly misleading. It is confirmed for a number of devices at 20 per cent. Such devices can now, under current energy regulations, be fitted to oil furnaces. It's on the gas furnaces that current regulations do not permit the use of such devices. The name Thrifty Vent—I don't think that's a name that we have come across before, but there are brand names and trade names and so on, that all have the same basic appeal and really all they do is damp this air flow through the stack.

Mr. Ruston: They were supposed to be used in Germany. I don't know their claim that Germany is using kind of a damper or vent that Smith is talking about for 40 years and that's why I wonder, you know—

Dr. Rowe: Indeed, sir, you will find them in use in this province, but they are illegal. They are not in the interests of the user.

Mr. Ruston: You are saying the Canadian Gas Association is testing these?

Dr. Rowe: The Canadian Gas Research Institute is testing them.

Mr. Ruston: And what is that? Is that an independent organization or is that maybe something like the American Gas Association?

Dr. Rowe: The American Gas Association also operates a testing facility in their research facility. It is of a non-profit nature set up to serve the interests of both the public sector and the commercial sector in the sense that it has a board of directors made up of representation both from the public sector and from the industry, and is not a vehicle of just the gas industry alone.

Mr. Ruston: But it is a part of it?

Dr. Rowe: It is related to it. Yes.

Mr. Ruston: There was a television interview with this particular gentleman as well as the Detroit testing laboratories—they are an independent group, absolutely no connection with anybody, they are strictly an independent testing organization—and they had tested it out and found it to be safe. Of course, safe has different interpretations on it; who installs it maybe can make it safe, and then somebody else might install it and cannot. I think that's possible too and, as you say, if it was installed with the furnace new, naturally you have a better chance of seeing that it's put in properly and that's always a possibility. But I was just wondering because I can see that in years past there's no doubt that in the average home it probably wasted half the fuel that we used. If I look back over the years and the homes that we have used, I know in my own case I cut down considerably just by doubling the insulation in the attic of a one-storey house. So I know there are a number of ways that we can do this and that's why I was wondering what you had in this case what you had on it?

I know the federal ministry sends booklets out but I was wondering who should be leading the way in different recommendations, testing things? One of the things you're funding is solar heat; I must admit that that's a long way out from my personal observation of what I've read about it and I don't disagree with Mr. Burr in his summary of it. However, I think that the cost of installing it will be so high—

Hon. Mr. Timbrell: I thought that Mr. Reed had more influence in your caucus than that.

Mr. Ruston: I think it's a great thing to look at in the future but I'm afraid that it's not within the next 10 or 15 years.

Mr. Mancini: What about the windmills?

Mr. Reed: We have trouble in every caucus.

Mr. Ruston: Someone has to be working on these. In fact, I had a gentleman tell me that he—talk about rigging things up—he took the air conditioning from his house and used a few radiators and he did his swimming pool while he was air conditioning his house. There are certain ways of doing two things with one unit.

That's the ingenuity of individuals, but another thing that people have with forced air heating systems is a tendency to leave their fans on 24 hours a day running slow, and on other ones they automatically come up on high and then shut off. I hear that people claim that that saves fuel but other people claim they don't feel comfortable in the house when it's that way. These are the things that are experimented with and everybody tries their own way.

But it's getting serious when the cost of natural gas has gone up so much in the last few years. I agree with Ms. Bryden that when you have to try to get along with a 10 or 12 per cent or eight per cent increase in wages and gas goes up so much and then Hydro too. We talk about government-owned and socialism. That's all right, but Hydro is going up probably as much or more than natural gas.

Mr. Mancini: That's right. You socialists over there, that's just what you socialists need.

Mr. Ruston: The answer is not government-owned. I respect Hydro and I know what they're trying to do, but they're raising rates maybe higher than we are for natural gas.

Mr. Makarchuk: But as the minister has said, he can't surprise you when you said socialism in what you can add on—

Mr. Ruston: I don't know, I just think that maybe the ministry certainly should be encouraging people who are trying different methods and systems to experiment, or whatever the case may be. I sometimes think we should take Wintario grants for people who have ingenuity to figure out new ways of saving heat because with the cost the way it's going, we're certainly going to have to watch it in the future because we've been wasteful in the past and now we're getting more conscious as the price gets higher. But that's where I think the ministry has to be looking. We have very little of our own energy in our province and we don't have much control over the Sheik of Alberta and other places—

I don't think even Joe Clark has much control over him—so he seems to set the prices that he wants.

Mr. Makarchuk: The Sheik and his water holes. He's Schumacher's water boy.

Mr. Ruston: Mr. Chairman I think I'll close off at this time and I'm sure some other people have more to add.

Hon. Mr. Timbrell: Maybe I could just give you an example, and this is a personal example of the kind of things that can be done. One of the problems is the fact that there are a lot of older heating units in the province which, either because of age or insufficient maintenance or a combination of other things, and thermostats too high, use a lot of energy. Mr. Ruston and I didn't stage this. If you remember I had these with me. These are my oil bills for the last four winters. I've just got one bill for this winter.

In my case, for the first full winter I was in my house, I used 1,101.9 gallons. That was with the original furnace and probably, as I recall, 72 or 73 on the thermostat and she boiled. The oil was 22.9. In 1973-74, I'd replaced the furnace because it had gone to wherever old furnaces go. They didn't particularly do anything about the thermostat, as I recall, and my consumption of oil dropped to 759.9 gallons for that winter from 1,101.9. So what's that—342 gallons—30 per cent.

In 1974-75, the price going up by this point, it was up to 27.3 cents per gallon. In 1974-75, keeping the furnace maintained properly, turning down the thermostat—although my sister lived with me at the time and every time I'd turn it down she'd turn it back up—it came to 622.5 gallons during that particular winter, so it shows the kinds of things that happen. This winter I've insulated and we'll see what happens in this winter. Keeping the thermostats to 63 to 68 at night.

Mr. Frame: Getting rid of your sister?

Hon. Mr. Timbrell: My sister got married.

Mr. Ruston: I like it around 70 myself, so I don't know.

Hon. Mr. Timbrell: I want to set that record straight. I've heard that reported from radio stations and the like around the province. I have not advocated, as a pointed government policy showering with friends.

Mr. Makarchuk: Shucks! You take longer showers that way.

Hon. Mr. Timbrell: You waste all kinds of water and not putting it to—well, I won't say it.

Mr. Makarchuk: What's your policy on bathing?

Hon. Mr. Timbrell: I'm in favour of showers in whatever multiples you choose to.

Mr. Chairman: I would just like to inform the committee that we're discussing vote 1801.

Mr. Kerrio: I wonder, Mr. Chairman, if I can ask Dr. Rowe—

Hon. Mr. Timbrell: I'm sorry, I don't think we've finished on these particular devices but I just wanted to give you a very personal example of what can be done.

Dr. Rowe: I would suspect in the case, say, of the minister, that the newly-developed blue flame burner, flame retention head, all of which we have under investigation would give you a further incremental reduction.

Mr. Kerrio: Dr. Rowe, I have one question. What about the introduction of balanced air from outside, so that you're not involved with the automatic vent? Is that a valid alternative to those devices?

Dr. Rowe: This is one of the associated recommendations. You appreciate, of course, that some people bring air into the house and introduce it into the plenum. This is not an energy-conservative feature. But to introduce outside combustion air is one possible way of so-called closed-circuit system. There is current regulation that governs the amount of air that must be made available to the combustion chamber and current regulations do not permit you to add or affix an appendage to the combustion chamber to bring this air in but one can admit to the furnace room or whatever provided that you can demonstrate no impediment at all to the entry air.

There are a number of projects to be evaluated next year and this closed-circuit system is one of them. Another one, I believe, will be pre-heating of combustion air using exhaust air from the chimney.

Mr. Makarchuk: I wonder, Mr. Chairman, if we can carry this vote?

Mr. Chairman: Can vote 1801 be carried?

Some hon. members: No.

Mr. Chairman: Mr. Burr wants to speak to this vote.

The committee recessed at 6 p.m.

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Ministry of Energy officials taking part:

Clendining, R. H., Senior Adviser, Crude Oil and Natural Gas
 Frame, A., Senior Adviser, (Hydro) Utilities
 Higgin, Dr. R. M. R., Adviser, Alternate Energy
 Jackson, A. B., Chairman, Ontario Energy Board
 Rowan, M., Deputy Minister
 Rowe, Dr. I. H., Executive Co-Ordinator, Energy Conservation Group
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SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
ENERGY

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, November 16, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

TUESDAY, NOVEMBER 16, 1976

The committee resumed at 8:10 p.m.

ESTIMATES, MINISTRY OF ENERGY (continued)

On vote 1801, ministry administration programme:

Mr. Chairman: Now that the Liberal Party is well represented, I'm told that—

Mr. Gaunt: You want to believe it.

Mr. Chairman: According to parliamentary procedure, if the chairman sees a quorum, there is a quorum. Now that we have a quorum we'll begin with vote 1801. Mr. Burr.

Mr. Burr: Mr. Chairman, I'll move vote 1801 be agreed to if you let me start on vote 1802.

Vote 1801 agreed to.

On vote 1802, energy policy programme:

Mr. Burr: The first question I should like to ask of the minister is a yes or no question. I heard recently that the Moog building, the Hydro building, had had its candle power reduced significantly, something like 50 per cent or more. Is that the case?

Hon. Mr. Timbrell: They came up with a series of steps they were going to take to reduce energy consumption by, I think, a further 15 per cent. That was one of the things they were going to do. Dr. Rowe can perhaps talk about the specifics of what they are doing to reduce this energy consumption even further from what it is now, which is about one-third of what it would be if it were a conventional design.

Mr. Burr: Did you say 15 per cent?

Hon. Mr. Timbrell: I believe 15 per cent.

Mr. Burr: Is that all, just 15 per cent?

Dr. Rowe: The 100 per cent is perhaps relevant to the fact that one of the first designs was to use a 200 foot-candle level of illumination.

Mr. Burr: It was 200!

Dr. Rowe: That was reduced to 100 foot-candles of illumination. That was done in the design stage before building and commissioning. Now that they are in the building they are looking in the direction of cutting this down further. This will be done on a floor-by-floor and on a task-oriented basis just in the design stage.

Hon. Mr. Timbrell: As I recall the figures, Dr. Rowe, compared to a building of similar size but conventional design, the Hydro building uses about a third as much energy, I believe. Is that right?

Dr. Rowe: That is right. It is also less than the well-documented GSA building in the United States.

Hon. Mr. Timbrell: What they're talking about now is reducing that consumption by a further 15 per cent of existing levels.

Mr. Burr: Back in 1938, the University of Minnesota made a study of lighting requirements and concluded that a light level between three and 10 foot-candles was adequate for efficient reading, that is, for a work area. They concluded that the efficiency was not increased by higher levels of lighting, only the rate of fatigue. The amount of fatigue was increased by higher levels of lighting.

[8:15]

Hon. Mr. Timbrell: How much did it cut down on the ability to complete a work day? In other words I'm not familiar with the study, obviously 1938 was long before my time.

Mr. Burr: They concluded it was from three to 10 foot-candles. Another study at another American university in 1968 confirmed this previous study that had been done 30 years before.

If you come along to 1952, the New York City Board of Education put out a manual which called for 20 foot-candles in classrooms. Later on, the Illuminating Engineering Society, which in United States sets the

minimum standards, put it up to 30 foot-candles in 1957; and in 1971 it went up to 60 as the minimum standard. In 1972 I remember there was a lighting fixture advertisement in one of the construction industry magazines recommending a minimum lighting level of 90 foot-candles throughout all new office buildings.

Now you tell me the first thought was to have 200 foot-candle power in the Moog building but they cut that down, fortunately, to 100 before they actually did the installation.

The Wall Street Journal, which is a well-known institution, attributed the setting of these standards of minimum lighting to the lighting equipment companies or at least people who were associated with them, and the electric power companies, which of course in the United States are privately owned.

Hon. Mr. Timbrell: Some are.

Mr. Burr: Most of them. They're not like Ontario where the profit motive is not a factor.

What I'm suggesting to you or to the ministry is that there should be a programme to reduce the excessive candle power of lighting in school rooms and offices throughout the province. I remember somewhere in the mid-1950s the school in which I was teaching, we had four globes in each room. They had been there since 1922 and nobody had ever complained about inadequate lighting. In fact, we usually had only two of them on unless it happened to be a dark day. Depending on the side of the building on which the room was located, most of the time we had none on. They came along and ripped out these four globes and put in banks and banks of fluorescent lighting and made it just as bright as it is right here now. It was only a couple of years after that that I found I needed glasses, incidentally.

I suppose the minister didn't teach long enough ago to notice that very few of the children a few decades ago needed glasses whereas today the number of elementary and high school students wearing glasses is very high.

Hon. Mr. Timbrell: There also weren't the preventive programmes at that time either. There weren't regular inspections in the schools.

Mr. Burr: Oh yes, if people couldn't see well they did get glasses in those days. I suspect that there is a connection between this excessive lighting—in fact, I gave a

speech three years ago in the House about this and I found it the other day.

Mr. Mancini: What do you think of it?

Mr. Burr: I thought it was a good speech and I can't see why the people who were designing the Moog building hadn't read it. How much trouble it would have saved them if they had read it. Two hundred foot-candle power—

Hon. Mr. Timbrell: Just think of the expense you could have saved if you'd sent it to them.

Mr. Burr: In a study it was found that white shadowless surroundings—as you notice, there's scarcely any shadow in this room.

Hon. Mr. Timbrell: Just a few spectres.

Mr. Burr: Shadowless surroundings result in short-term aberrations for the people working in these areas; hallucinations and extreme mental discomfort. That's what's the matter with us when we've been here for a few hours, it's the lighting.

In fact, this afternoon I was sitting here and I couldn't figure out whether a third of the lights were out. I estimated about a third of the lights were out and I wondered whether this is part of your plan for conserving energy or whether it was just poor maintenance because there are many bulbs there that are not in good condition.

Glancing over at the wall now, I see that there is a switch there and you can control the number here. I wonder if anybody complained this afternoon that there wasn't enough light because the full bank was not on. If you think of an individual member's office, I use my office an average of one hour a day during a year.

Mr. Mancini: Shame.

Mr. Burr: I am in the House, I am in committees, I am in caucus; I think I am in my office one hour a day. That is 365 days a year, because the House is not in session; and there are weekends.

Hon. Mr. Timbrell: You are talking on an average.

Mr. Burr: There are Wednesdays. I am talking about one hour a day average. Is there anyone who would dispute that very much? That's about right? But my lights are on there 24 hours a day; so that room is wasting light 23 to 24 hours, which comes to about 96 per cent.

Hon. Mr. Timbrell: They are not on 24 hours a day.

Mr. Burr: When I come here in the evening, sometimes, they are on.

Hon. Mr. Timbrell: Not if you come here on the weekends and holidays as some of us Metro members do.

Mr. Burr: Do you mean you have started to cut them off?

Hon. Mr. Timbrell: No, it was even true when I was first elected as a back-bencher that one had to know where the switch was to get them on on the weekend.

Mr. Burr: I have come in here weekends and they have been on. Anyway, I am glad this is being done, that they are going off. But why not let me have a switch like those, so that I could turn my lights on that average one hour a day and save this electricity?

Hon. Mr. Timbrell: The north wing was refurbished. In 1969, was it? I will have to ask someone who was here. You were here.

Mr. Burr: Yes.

Hon. Mr. Timbrell: In 1969 would it be? Certainly it was well before the start of this kind of concern about energy that is apparent today. To minimize front-end cost and to minimize the cost of all the additional switches, many places obviously went to a central switching system. I don't know what the cost would be to rip it out again and do it over.

Mr. Burr: The result would be to save energy. In fact on the same subject I have a letter here from a gentleman who wrote to you after seeing you on a television programme. I had better not read it all but his final paragraph says: "Another contradiction to this whole energy conservation programme is the fact that during all of July and August this year the overhead lights on the Don Valley Parkway were left on day and night."

Hon. Mr. Timbrell: I think I have written back to that individual.

Mr. Burr: Did you explain it to him?

Hon. Mr. Timbrell: First of all, I live right next to the Don Valley Parkway and I was in and out of town and to the House July and August. I think he may have been in town. I have seen them on in the mornings. It is some malfunction of the timing switch more often than not. But, as far as I know—

and I think I have written back to that particular fellow—they were not on all day and all night through July and August. They are on a timer.

Mr. Burr: He had complained to people. He had phoned the police. He had phoned various people and the lights stayed on during the days on which he saw them, I presume. How do you control that situation?

Hon. Mr. Timbrell: In that particular case that comes under the municipality. It's certainly in their best interest to turn them off and put them on a timing device, which most municipalities have them on now, because it cuts down their cost. To anybody who writes to me or calls me, I just say call the works commissioner or parks commissioner, depending on what you have in your particular town; or the county engineer, your reeve or your mayor; and point this out, as maybe they haven't even noticed it, because it's certainly easy enough to drive along a street in broad daylight and not notice that they are on.

Mr. Burr: Not if you are energy conservation-minded.

Hon. Mr. Timbrell: I agree, but we have a long way to go before we have that kind of general commitment in the population.

Mr. Burr: It takes just one person—

Hon. Mr. Timbrell: I agree.

Mr. Burr: —to phone somebody, if he knew where to phone.

Mr. Shore: Mr. Burr, could I interject and ask a question on the same subject? I got a couple of letters on Hydro, on the same subject, in London where two people within two days wrote me this type of letter saying the lights are on all the time in the Hydro building in London, Ontario. Is that a local decision too?

Hon. Mr. Timbrell: The Ontario Hydro building?

Mr. Shore: Yes, the regional office on Wellington Road. I don't know the accuracy of it but I have had two letters in two days.

Hon. Mr. Timbrell: Can you send them on to me?

Mr. Shore: I just got them. You will be getting the copies.

Hon. Mr. Timbrell: We will give them to Hydro, because certainly at the head office building they have been making every effort

to get the cleaners to turn off the lights as they move out of a section of the building. If you stand out there long enough, you can sort of watch the building darken as they go through the building, and that's supposed to be the case for all the buildings. We're trying to get plant managers in all the government buildings to do the same. It is a matter of training and changing bad habits.

Mr. Burr: Could you look into this matter of how much light is needed in a school room? There are various studies of it, and if you find that there is a significant amount of excessive lighting, give some consideration to—

Hon. Mr. Timbrell: There is a project under way as part of the energy management programme, with the Ministry of Education monitoring some schools. I am thinking of the two in Waterloo. That was mainly insulation, but lighting was also part of that project.

Dr. Rowe: Over and above that they have a task force looking at lighting.

Hon. Mr. Timbrell: I know back in the 1960s when I was teaching and the SEF schools were just coming in and there was a big to-do about those at the time because they did require higher levels of lighting. If you recall, the SEF schools tend to have much less glass, fewer windows and smaller ones.

Mr. Burr: There are certain commercial stores where you go in and it's almost blinding. They have about 10 times more light than they need. In fact, the Wall Street Journal refers to some buildings that have apparently according to the proper standards 10 to 20—the Wall Street Journal mentions 20—times as much light as is required.

Hon. Mr. Timbrell: I know. I get the letters about the used car lots and the furniture stores that leave all their display windows lit all the time and, here again, quite often it's just a matter of drawing it to the attention of property management and shop owners, that sort of thing. I think, though, you will find that when the rate structure is changed, if it does, in fact, change in the way it's being suggested, a lot of those places will be getting the message just in their bills more than they do now.

Mr. Burr: All right, speaking about the way you get the message, I think probably your inserts with Hydro bills produce the best results, especially if they are not all the same; that is, where a person opens the bill

and finds something that looks different. If you find something that looks like what you have read before, you don't bother to read it.

This Christmas one, I don't know where it originated but in Windsor we have a red insert advising us that Christmas lights should be put on not earlier than seven p.m. and should be turned out when we go to bed. All right, there is one message there, just one message about one thing and I think most of the people who get the bill will read that and will respond.

You talk a lot about voluntary co-operation and all that sort of thing, which is fine, but people do like to have some guidelines. From your experience in teaching, you know that the students like to have some rules that they are supposed to follow. Otherwise you have chaos.

[8:30]

I would like to see you come down with some figure, we will say, for air conditioning and say that in the summertime it just isn't the proper thing to do to put your air conditioner on if the temperature is less than, say, 78° Fahrenheit or whatever it is in the Celsius scale. If people had some figure which had been stated by an authority as being the proper line below which they shouldn't put on their air conditioner, I think you could save huge amounts of energy.

Hon. Mr. Timbrell: Do you remember about this time last year—I am not sure whether it was a bill stuffer; I know it was an ad and it may have been a bill stuffer as well—Hydro did put out information. As I recall the ad there was a piggy bank on it or something, with money falling into it. They listed all the usual appliances and convenience things you would find in the house and listed what the average monthly consumption was.

Mr. Burr: I've seen that. Yes, that was good.

Hon. Mr. Timbrell: I had a lot of positive comment on that. People said: "I didn't realize that a stereo could use that much; or an electric can opener or whatever." That is the kind of thing. I agree, that we are going to do more of—put it in very simple terms.

Mr. Burr: Right. If next May, all the Hydro bills contained a flyer with the opinion of some expert or other, or some health authority maybe, decrying air cooling below a certain Fahrenheit figure—we'll say 78°—I think you would get a very good response.

I was in a house this summer on a day when the temperature was very pleasant outside, maybe 73 or 74, but this place had air conditioning that drove it down to 65 or 66, I think. It was uncomfortable. Now there is an awful waste of power and energy. Yet, as far as I know, no one has ever been given a kind of a standard.

Hon. Mr. Timbrell: I think you are right. That is a good suggestion. Certainly in our own advertising and in Hydro's we have talked about heating levels and lighting and so forth. I don't believe we included air conditioning in our own book. That is a good suggestion.

Mr. Burr: Has the ministry made any estimate about what the effect would be on energy waste or energy conservation of a continuation of daylight saving during the winter?

Hon. Mr. Timbrell: This has been looked at by us, also by the federal Department of Energy, Mines and Resources.

Mr. Burr: It is not significant then?

Hon. Mr. Timbrell: No, that is right. That is exactly the word that has been used—insignificant.

Mr. Ruston: It's rough on the school kids and rough on the school bus drivers, too.

Hon. Mr. Timbrell: It can be in the country.

Mr. Ruston: That is why they banned it in the United States; they had so many accidents.

Mr. Burr: There has been reference to gas prices in the United States and we understand why they are lower. On Highway 401, it's 93.9 cents for regular gas yet in Windsor I have seen two places—I don't recall whether they are self-serve or not—which are advertising gas for 72.9 cents. With a 21 cent spread those people on Highway 401 are certainly charging an exorbitant amount. I don't think they make very much because I don't think very many people buy gas there any more because of the exorbitant price.

This is not really in the matter of conservation. This is more for the tourist promotion, I should think, but I just mention there is that spread.

Hon. Mr. Timbrell: In the spring the Ministry of Transportation and Communications undertook to review the leases. The leases are basically—I think it is a flat rate plus a

percentage of sales so the leases were contributing to the problem. These have now been renegotiated by MTC and it should result in dropping the prices along the 400 series highways by about a nickel a gallon.

Mr. Burr: I don't think it has done it yet.

Hon. Mr. Timbrell: I bought gas near Frankford on Highway 401 on Sunday night and I paid 91.9 cents for unleaded. I take it you are saying the 93.9 cents was regular?

Mr. Burr: Regular.

Hon. Mr. Timbrell: I paid 91.9 cents for unleaded, so it is starting. I pay 86.9 cents or 87.9 cents for unleaded in Don Mills, so that is not much of a difference.

Mr. Burr: As for pilot lights on gas furnaces, I think almost any gas company worker will tell you there is no reason to have those on during the summertime and that the average person pays about \$16 really for nothing. These are people who are aware of the argument that there will be some damage to your furnace if the pilot light is not on, but they don't buy that argument. Have you checked into that at all?

Hon. Mr. Timbrell: I think Dr. Rowe has. There is a safety element here too, as I recall.

Dr. Rowe: We checked this both with the staff of Canadian Gas Research Institute and also Consumers' Gas themselves. I think the ultimate is I polled the senior management of Consumer's Gas to find out what they did as individuals, and they did turn off their furnaces themselves. I think in every case that I polled they also had dehumidifiers operating in the basement because of the fact that the surface of the heat exchanger in a high humidity condition can corrode and that will reduce the efficiency in the wintertime operation.

Mr. Burr: Then for people who have dehumidifiers in their basements, turning off the pilot during the summer would be an energy-saving measure.

Dr. Rowe: It would be an energy-saving measure. The question then is whether the homeowner is capable of igniting the pilot himself in the fall or whether or not he should call the gas company to come and do it.

Mr. Burr: That is a detail, but there is another potential saving here.

Dr. Rowe: That's right.

Mr. Burr: Could I find out from the minister what is the progress of the National Research Council's and Quebec Hydro's installation on the Magdalen Islands of that Dominion Aluminium Fabricating Company's 200-kilowatt wind turbine?

Hon. Mr. Timbrell: I don't think the project has finally got off the ground.

Mr. Burr: The last word I have is that it is supposed to be installed in December.

Dr. Higgin: It seems as if they might make that date now. They were held up by a labour dispute. Despite the fact that Quebec Hydro employees were on strike, the union did agree and the local did work on that project after some delay.

In other words, they made an exception. They had a crew out there. It was thought initially they were going to be held up by the strike on installation of the fittings, the transformer hook-up and so on. The crew did get on the job, and it is now hoped that, though they will be slightly delayed, they will have it up in December. The machine itself was being fabricated and shipped.

I am not sure yet whether it is on the mainland or it has arrived out on the Magdalen Islands. The machine has been made. As I understand it, the site preparations are almost finished. That was simply due to the good faith of the union in going ahead with that project, despite the general labour dispute.

Mr. Burr: The information I have is that it costs \$235,000 for this prototype and that it will produce electricity on this island, which has a good wind velocity, for about four cents per kilowatt hour. The engineering manager says that units built subsequently would drop in price to \$100,000. Does this mean that if the Magdalen Islands had received the second of a series, rather than the first, at \$100,000 that the cost of the electricity there would be in the neighbourhood of two cents per kilowatt hour?

Hon. Mr. Timbrell: Not necessarily. The question is who would have got the first.

Dr. Higgin: The answer to that question is that the main part of the wind turbine's cost is the capital and of your annual costs the major part is due to the amortization and interest charges on that capital. There are, however, operating and maintenance costs and we don't know what they'll be but they figure to be in the range of five to 10 per cent of the capital. The figure probably

would drop below three cents but how far it would drop we don't know.

The point is that the Magdalen Islands have 19.6 miles an hour mean annual winds and the power available from the wind is proportional to the cube of the wind velocity. We've looked at that machine in great detail and NRC did an aerodynamic optimization of the machine for operation in the Ontario wind regime. That report is available now as a supplement to our wind report; it's an evaluation of how it would operate under Ontario conditions.

The figure we got from Dominion Aluminium for a short production run of follow-on units was \$170,000 for that machine. That was the figure they quoted us.

Mr. Burr: One hundred and seventy?

Dr. Higgin: The difference is it depends on whether they're into a volume of producing 10 units or 100 units. Your figure of \$100,000 might be correct.

Mr. Burr: That might be for the 25th one?

Dr. Higgin: Yes; our figure was \$170,000. We reckon on an installed cost in northern Ontario, taking into account shipment and so on, of about \$240,000. The power cost at the busbar in northern Ontario would be of the order of 10 cents per kilowatt hour from that machine, optimized for use in Ontario at a capital cost of \$170,000.

Mr. Burr: Why would that be different?

Dr. Higgin: The annual power production is considerably lower than in the Magdalen Islands.

Mr. Burr: If it were in an area where the winds were, say, 12 miles an hour?

Dr. Higgin: In Ontario, probably about our best mean annual wind speeds are about 12½ miles an hour. Under those conditions—I'm trying to recollect the figure—it seems to me we had a maximum power production of around 230,000 kilowatt hours per year and that's about half what it will produce in the Magdalen Islands.

Mr. Burr: How much did this northern Ontario wind study cost?

Dr. Higgin: This was done as a small supplement because the ministry would like the information. As you probably understand the information on these larger machines wasn't available at the time we commenced our wind power study initially. Ontario Research

Foundation did this as a supplemental contract since they had a lot of the data and the staff on the job for \$3,500.

Mr. Burr: That was \$3,500?

Dr. Higgin: Yes.

Mr. Burr: I thought there was a \$25,000.

Dr. Higgin: No, we have already spent with them \$29,500 on the main part of the study which provided all the data on wind regimes and so on. All they did was look at the operating characteristics of three large wind machines in those wind conditions in northern Ontario. Under our main study most of the work was done. They just had to do a few simple calculations and as a result we got it done for a very low cost.

Mr. Burr: As I recall you wanted about 30 kilowatts and on the market there are these five or six kilowatt generators running at \$1,000 per kilowatt. It seems to me you could have bought enough equipment for the same price and used the period of time it took to make the study—six months, nine months, a year, whatever it was—to monitor the actual operation. At the end of the time you'd have had the thing in place and you would know in fact rather than in theory how it worked out.

[8:45]

Dr. Higgin: Our plans are in this current fiscal year to follow through with a practical demonstration; that is in our plans. But our main mandate was to assess the potential of the resource, and you cannot do that by looking at the operation of one wind machine at one particular site. It's necessary to undertake a wind survey of the province. This is a highly specialized job and we were quite lucky in having some excellent consultants with experience in this area.

Mr. Burr: But you have wind charts for the whole province at 30 meters.

Dr. Higgin: We developed those as part of the study. A lot of the cost of the study was indeed developed in taking raw data from the Atmospheric Environment Service and using computers and other simulation techniques to develop those wind maps.

Mr. Burr: Hasn't the federal government had these for some time?

Dr. Higgin: The federal government has a rather gross map of Canada, and I don't know whether you're referring to the one of the National Research Council. No, they

didn't have that data. In fact, we had the National Research Council and the Atmospheric Environment Service on our steering committee so why would we want to duplicate any efforts? We had them right there and they were part of our task force on this project.

Dr. Rowe: They also charged us.

Dr. Higgin: They also charged us a fee for the data, I might add.

Hon. Mr. Timbrell: Just to go back a bit, the equipment that you referred to as being available I think is American, or is it European?

Mr. Burr: No, it's a place in Quebec. The Electro Company, St. Hyacinthe.

Dr. Higgin: The Electro machine is a German machine. We looked at three machines which we felt had significant potential. They were the Aerowatt FP 4100—

Mr. Burr: That's French, and very expensive.

Dr. Higgin: Yes, \$55,000 from the local distributor, for 4.1 kilowatts. We looked at the Electro, which is a six kilowatt machine, which sells for about \$6,000 f.o.b. Montreal; and we also looked at the Dominion Aluminum NRC vertical axis machine, that sells for a similar price, \$6,000 f.o.b. Mississauga. So those are the machines that we evaluated.

Mr. Burr: Someone gave me the impression that one of these machines that you're thinking of placing up in northern Ontario is being tested on Toronto Island?

Dr. Higgin: Yes, the very latest information on this topic is we were approached by the federal government as a result of them being approached by a wind generator company through their unsolicited proposal route, and they wanted to undertake a test of a windpower system with a diesel and a dynamic control mode, and the site the company had picked was, in fact, Toronto Island. The federal government has approached us for cost sharing and at this point we've reached an agreement in principle that we will participate. The details still haven't been worked out.

Mr. Burr: It seems to me that the place to do it would be up north where it would be of some good.

Dr. Higgin: The costs increase tremendously.

Hon. Mr. Timbrell: The costs increase and you're also not near such things as the university, the research foundation and the ministries themselves, which have been doing the monitoring.

Mr. Burr: How do you know the wind down here is the same as up there?

Dr. Higgin: That's been looked at very closely and although the wind regime over the year is considerably lower here, Toronto Island airport, in the wintertime the wind pattern is very similar to the wind conditions in northern Ontario, surprisingly. That's using the data from the island airport.

Mr. Rowe: But the basic object of the experiment, as Dr. Higgin pointed out, is to be able to offload a diesel set with the wind generator and this is the purpose and the objective of this particular experiment.

Dr. Higgin: This is a peculiar dynamic control problem and we've not been able to find anyone who has worked this out. If you use batteries then you have no problem, but batteries are limited to very low-power systems. If you want to really meet a constant load, provide constant power, you have to have a dynamic control system with a diesel and a wind generator operating together, and that's really the intent of the experiment, to design and test the system which will allow that to happen.

Mr. Burr: Well have you any figures on the wind rates? You have them at 100 feet or 30 metres—100 feet we will say—have you any at 200 feet?

Dr. Higgin: We have the figures at the height of the measuring station. We have a table in the wind power report, which gives a factor by which you must multiply that figure in order to obtain the wind regime at any height. It so happens that for the purpose of the map they are all reduced to 30 metres, but by using the wind power report, you can calculate the wind regime at any location by using this factor.

This factor is terrain specific. In other words, it's been worked out from the topography of the locality. It's different for areas over water as compared to areas over land and so on, completely different. So although I have never worked out the figures for 200 feet, it's a very simple hand calculation to multiply the wind speed at the measuring station's height by this factor to obtain it at any height.

Mr. Burr: Have you any idea whether it's roughly double or 50 per cent greater? Have you any idea where it fits in?

Dr. Higgin: The factor is something to the power .26, so it's roughly the fourth root of the height.

Mr. Burr: Of course this is very important when you are putting a tower up 100 feet or if you decide to put it up 150 or 200 feet.

Dr. Higgin: Yes; of course the cost of the tower as well has to be borne in mind as to whether you get—again the theoretical formula would be to the power one-seventh; that's Von Karman's velocity law, but in actual fact you don't get that in real situations due to ground roughness; it goes up about the fourth root of the height.

Mr. Burr: I'll ask just one more question and then I'm through for the session. I'd like to ask a question about the energy conservation aspect of mopeds.

Because these machines weigh about 120 pounds and they don't exceed a speed limit of 30 m.p.h., they travel between 150 and 200 miles per gallon. Thus a moped is about ten times as efficient in terms of energy consumption as an automobile, and with proper conditions a moped can safely and economically carry two persons. For those who are brave enough to use them in city traffic, mopeds provide an inexpensive, year-round alternative mode of urban transportation. If covered parking were available, more people would use both bicycles and mopeds. I say covered parking because in wet weather, wet seats on both bicycles and mopeds, and wet spark plugs in the mopeds, are certainly a deterrent to the use of this energy-cheap method of transportation. My final question is what consideration has the ministry given to this admittedly minor, but for the people concerned important, aspect of energy conservation?

Hon. Mr. Timbrell: I must say that, or admit, if that's the right word, that in looking at building codes and so forth, that hasn't necessarily been a crucial fundamental principle. I think you will find, though—

Mr. Burr: Will you put it on the agenda for one of your meetings?

Hon. Mr. Timbrell: Well it's the sort of thing I think that in the discussions we are having with architects and people who are in the building design business which we could—I was just going to say though that I think you will find in the newer complexes, and even

around Queen's Park, you will see more provision made in the government garages and around the buildings for bicycles to be stored and chained to racks, that sort of thing. I don't know what the policy is, for instance, if a government employee wants to bring a moped, whether they have to rent a parking spot or whether there is provision. I don't know, it's a good point.

Mr. Burr: Thank you, Mr. Chairman.

Mr. Gaunt: I find the discussion with respect to solar and wind energy very helpful, and certainly it's an area in which considerable effort and research is going to have to be done in the coming years. I'm one who happens to believe we haven't done enough research and committed enough funds to this kind of research development in the last few years.

We have seen the nuclear energy source as a solution to our energy problems, particularly since the late sixties and the early seventies. I think we have more or less committed all our eggs to the nuclear basket, so to speak, and it's only in the last little while, a year or so, that we have started looking at these other energy sources, such as solar and wind energy.

I was struck by the information in World Energy Strategies that said there's a possibility that oil and fission technologies may be operating at a net energy loss. That means the energy consumed may turn out to be greater than the energy produced. The other comments that were made in that respect I find quite revealing. It has been indicated that the crucial gap between the nuclear and the solar electricity is the multi-billion dollar subsidies for nuclear fission, and that may very well be the case.

Hon. Mr. Timbrell: Pardon me—multi-billion dollar subsidies for what?

Mr. Gaunt: For the nuclear fission, the nuclear process that we have in our Candu plants.

The nuclear programme actually gives me pause on two counts. The first is the matter of whether or not it is, in the long haul, economical. The second is the matter of the safety aspect; and on that there is a great tug and pull; people who feel that it is safe; other people who run up the flags and say no, we're not so sure. Obviously the wind and solar energy sources are safe. They are renewable, and in my view I think that's the direction in which we should be looking seriously.

Let me deal with this matter of the safety aspect of the nuclear process. This was brought home rather dramatically to me because I noticed that at Douglas Point, which is quite familiar to me, we had a problem there not so long ago with a spill. This spill concerned heavy water and we lost about, I guess about 5,000 gallons of heavy water, which amounts to about \$500,000. I couldn't understand it, given the fact that we have been given all kinds of assurances that the process was safe as far as toxic gases are concerned and as far as radiation is concerned. Here we had one of the largest plants in North America, or it's going to be when it's fully operational. We were given assurances that the plant is safe and that all of these things are under control and under constant observation. Given that fact, how in the world was it possible for 5,000 gallons of heavy water to escape from a nylon pipeline without someone noticing it?

[9:00]

Hon. Mr. Timbrell: Let me check your figures. That sounds high to me.

Mr. Sargent: That seems low.

Hon. Mr. Timbrell: Do you recall, Mr. Frame, what was the amount in the heavy water loss?

Mr. Sargent: You had better say it is low or you are dead.

Mr. Chairman: Order, please.

Mr. Frame: When Mr. Gaunt says at Douglas Point, there are two stations at the Bruce nuclear power development. I am kind of wondering which station he is referring to.

Mr. Gaunt: I am talking about the heavy water loss.

Mr. Frame: From the heavy water plant itself?

Hon. Mr. Timbrell: Not from the generating station?

Mr. Frame: I am not familiar with any particular heavy water loss from the heavy water plant itself. There may or may not have been, but we don't have a report on it. The only heavy water loss which has been recorded publicly is that about six years ago there was a heavy water loss from the Douglas Point plant, which is a 200-megawatt plant, the small one, because someone turned the wrong valve. That loss was just revealed or announced publicly about three or four

months ago. It first came to the public's attention then.

Mr. Sargent: Why?

Mr. Frame: It has been in a report for several years.

Mr. Sargent: Why did you not publish it at the time?

Hon. Mr. Timbrell: There was no danger.

Mr. Sargent: What is your PR man, Don White, doing there, not telling the public and keeping it a secret?

Mr. Chairman: Order, please.

Mr. Sargent: I don't have to, I am asking him a question.

Hon. Mr. Timbrell: Mr. Sargent, if you want to ask some questions or carry on as usual—

Mr. Sargent: You are not the chairman. I will take orders from the chairman, not from you.

Hon. Mr. Timbrell: I am just suggesting you do it to me rather than to somebody who is not in a position to answer that.

Mr. Sargent: I asked him why it wasn't made public that there was a loss.

Mr. Chairman: If you ask a question that is quite all right, but you were expressing an opinion in the form of a question.

Mr. Sargent: I will change my question. Why wasn't it made public at the time?

Mr. Frame: I believe within Hydro's records on the operation of the Douglas Point plant, it was recorded. I don't think we had a Ministry of the Environment at that time. That was about 1970 or 1971. I am not sure what ministry would be involved; but it was recorded and there was no secret about it, because at that time nobody was really concerned.

The report was reviewed by one of the public interest groups several months ago. It was pointed out there had been a loss, as I remember, because someone had turned the wrong valve. It was a relatively minor loss and there was no indication that it endangered the water in Lake Huron at all. I am not 100 per cent familiar with that report.

Hon. Mr. Timbrell: The point is there was no danger to the public.

Mr. Frame: None whatever.

Hon. Mr. Timbrell: The problem was an economic loss, a loss of H_2O , but it was not a question of public danger.

Mr. Frame: If there has been a spill recently of 5,000 gallons from the heavy water plant itself, we don't have any record of it; and even so there would be no danger in that either. Heavy water comes out of the lake and it can go back in. It is one part in 7,000 of normal water. Up in Lake Huron, it is slightly higher than a lot of other places, and that is why the heavy water plant is there.

Mr. Gaunt: Yes, you are quite right, there was no danger. It was an economic loss and that was the only problem.

Hon. Mr. Timbrell: The only other 5,000 figure in my mind was the \$5,000 an hour which represented the extra cost per hour in generating electricity from coal when the Pickering unit was down. That is why I wondered perhaps whether there was some upset with the figures. I have never heard that figure.

Mr. Frame: I think this was fairly recently. I think we are talking about a different one from the one to which the gentleman made reference. This was in the London Free Press around the first part of September of this year.

Hon. Mr. Timbrell: We will try and find out about that.

Mr. Gaunt: I raise the matter solely from the point of view of pointing out that if this could happen without someone noticing, then isn't it fair to assume that perhaps we are incurring some additional dangers over and above what we have been led to believe insofar as radiation is concerned? True, there was certainly no danger to the public in this instance because it is harmless. It was just a matter of big dollars, that is all we lost here.

Hon. Mr. Timbrell: I think the difference between the design of a heavy water plant and the design of a generating station is, you have built into a generating station a series of systems of backup fail-safe devices, each one backing up the other, that because you are dealing with fissile materials have to be there, that aren't there in a heavy water plant. I might ask Dr. Johnson, who has been involved in the Canadian nuclear programme for the last 30 years, to comment further on this, but obviously in a heavy water plant, as in any manufacturing plant, you have built-in warning systems; but because there

isn't the kind of concern for public safety in the loss of heavy water that there is in the possible malfunction of a generating station, you just don't have the number and sophistication of controls, as I understand it. Perhaps Dr. Johnson could elaborate a little further on that.

Dr. A. C. Johnson: I think, Mr. Minister, we should differentiate, and I think you are doing that, between a generating station and a heavy water production plant. They both appear at the Bruce station. The dangers inherent in one system are in an entirely different category from the dangers in the other. I think maybe we should ask Dr. Finlay to comment on the heavy water production plant inasmuch as he spent quite a few years operating one.

Mr. Gaunt: Actually, the spill took place at the generating station, as I understand it, not at the production plant.

Dr. A. C. Johnson: At Bruce?

Mr. Gaunt: At Bruce.

Dr. A. C. Johnson: Since the Bruce generating station only started up a few months ago at a very low power level, then if the spill—I am just not familiar with this spill—took place before the startup then it is just an economic loss, because there would obviously be no radioactivity in the heavy water. If it occurred after the startup, there is a minuscule amount of radioactivity in the heavy water.

Hon. Mr. Timbrell: What is going through my mind is, how much heavy water is there in a plant even when it is fully commissioned? Would there be as much as 5,000 gallons of heavy water?

Dr. A. C. Johnson: Oh yes. There are quite a few tons of it; maybe 5,000 tons. So I think, Mr. Minister, what we should do is pin this report down so we know what we are discussing here, and we would be glad to do that if you can give us any more details.

Mr. Gaunt: Sure, actually it was a release by Don White, your public information officer at Douglas Point, and he indicated that they lost \$500,000 through a heavy water spill at the Bruce nuclear generating station. That was the way it was worded and, interestingly enough, they said 20 megagrams of heavy water spilled from a temporary nylon test pipeline. About two-thirds of the spill was recovered while the remaining seven

megagrams evaporated through the ventilation system and drifted away over the surrounding countryside. Interestingly enough, they indicated the magnitude of the spill in megagrams, which really doesn't contribute to lay people understanding.

Hon. Mr. Timbrell: We are supposed to go metric. As you know, Mr. Chretien told me two weeks ago.

Mr. Gaunt: Maybe we should have switched to kilograms.

Dr. A. C. Johnson: A megagram is a thousand kilograms and that turns out to be one long ton—2,200 pounds. It is a much simpler unit than British engineering system units.

Mr. Gaunt: What you are telling me then is that in terms of the generating plant and in terms of the nuclear components this kind of thing couldn't happen. This only happened because everybody realizes there is no danger inherent in heavy water and if it does spill, it's just a few dollars down the drain.

Hon. Mr. Timbrell: That's no small concern. In 1974, as you know, there was difficulty with unit 3 at Pickering when they found three pressure tubes leaking and, through more tests, they subsequently found 14 more. A total of 17 pressure tubes of the 390 were leaking. After analysis it was found that the leaks were because of a problem with a rolling joint—

Dr. A. C. Johnson: It's a rolled joint.

Hon. Mr. Timbrell: Sorry—a rolled joint in the installation. That's all been repaired. In the process, Hydro developed some new machinery or detection devices which are now in use on that plant and at Bruce. Not only was there no danger at that time, they cleaned it up very quickly, repaired the faulty installations and developed new devices which are looking for this very problem during the regular operation of the reactors.

Mr. Gaunt: Could the minister enlighten me with respect to new technology having to do with breaking down the waste material after the process? There was some development called bombardment, I believe, whereby the life of the waste material could be cut substantially. Has there been any further development in that particular area? This is of real concern to people who are associated in any way with this kind of programme because of the tremendously long life of this material.

Hon. Mr. Timbrell: There are a number of programmes under way in different parts

of the world on different aspects of the next generation of nuclear reactors. Again, because Dr. Johnson has had such a long special background in it, perhaps he could run through some of them which are under way.

Dr. A. C. Johnson: I think, to address the specific question asked regarding the wastes that need to be looked after for a long period of time, one has first of all to identify precisely what we are talking about. Sometimes they confuse it by having plutonium which does have a long half-life but the objective of the nuclear power programme is to extract that plutonium for future use. It would be irresponsible to throw that plutonium away into permanent storage. We aren't talking about a 24,000-year half-life material.

What we are really talking about is two isotopes, one of cesium and one of strontium and these have a half-life of approximately 30 to 33 years. That's still a fairly long half-life because for permanent decay you have to worry about them for maybe 50 to 100 half-lives; that's 50 or 100 times 30 years which is a significant period of time. Those are the two we are talking about when we are talking about long term storage of wastes.

The present thinking—not only in Canada; this is a universal problem—is that we are not in a great hurry to worry about these because the amounts we are talking about, particularly in Canada, are not large. The problem has been postponed as far as determining a final solution to it is concerned because there is just no urgency to it.

We probably have 15, 20 or 25 years before we really have to face up to the precise way we are going to handle these. At the present time, efforts are going on in pure research and in development techniques, trying to determine which way these should be handled.

The interesting part is it is not just groping to find any way which can handle them. It's more a matter of deciding which is the easiest and best way to handle them.

[9:15]

There is complete confidence that there are numerous ways that they can be handled. At this stage what we want to do is take the next 10 years to determine the best way of handling them. There are efforts going on in Germany, where the pressure is much greater because of the schedule they face; efforts in the United States have been going on for a long time. In Canada we have one of the more promising approaches, we are considering permanent burial in the Canadian

Shield. As you know, the geological stability of the Canadian Shield is outstanding; it's been there for—

Mr. Sargent: Can I ask a question now?

Dr. A. C. Johnson: Yes, I think that would be in order.

Mr. Sargent: "Hundreds of scientists around the world regard this as one of the major unsolved problems in the field of nuclear energy." In the whole world they don't know the answers to this problem, and you are still searching. You are spending \$35 billion on this programme, but you can't bury the waste properly.

Dr. A. C. Johnson: Could you repeat the word that they used? The scientists are what?

Mr. Sargent: "Hundreds of scientists around the world regard this as one of the major unsolved problems in the field of nuclear energy."

Dr. A. C. Johnson: I would quibble about the word "unsolved." I think it's a matter of not determining—

Mr. Sargent: They go on to say: "Geological storage is so uncertain that the avowed policy in Canada is for retrievable storage in surface facilities until a more permanent solution is found."

Dr. A. C. Johnson: I think that is perfectly consistent with what I am saying, that it isn't an unsolved problem; it's a problem in that they haven't precisely pinpointed the way they will actually do it. I am sure if they were pressed tomorrow and told they had to do something, they could come up with a satisfactory—

Mr. Sargent: Finally, they say: "If Canadian scientists have come up with the solutions that have escaped everyone else's attention, more power to them. But let's hear what they are." What are they?

Hon. Mr. Timbrell: I think Dr. Johnson is outlining some of those.

Mr. Sargent: They don't buy what you're saying.

Dr. A. C. Johnson: Who doesn't buy it? That's the question.

Mr. Sargent: Nuclear scientists around the world.

Dr. A. C. Johnson: That isn't the case. Who are these scientists you are referring to?

Hon. Mr. Timbrell: Which ones?

Mr. Sargent: The submission is by Gordon Edwards, chairman of the Canadian Coalition for Nuclear Responsibility.

Hon. Mr. Timbrell: From Montreal?

Dr. A. C. Johnson: The difficulty with Dr. Gordon Edwards is that he is a mathematician; he is not a nuclear scientist at all. He has an axe to grind and he makes these rather glib statements that are just not supported.

Mr. Sargent: Is his axe better than yours?

Dr. A. C. Johnson: No.

Mr. Yakabuski: You have somebody to turn the grindstone right here.

Dr. A. C. Johnson: I'm sorry, Mr. Sargent, it's not my view. Even though I have been associated with the programme, I have not been doing the development work in respect of the long-term disposal of waste products. I am quoting the people who have spent some years of their lives studying this problem. And Dr. Gordon Edwards has not spent years of his life studying it.

There are several approaches that have been taken. One is in the Canadian Shield, and they are quite convinced it's merely a matter of determining the final details as to how to do that. They are satisfied that because of the stability of the Canadian Shield, which has been there for quite a few hundreds of millions of years with no detectable disturbance in the Shield, it is a very likely location for these waste products. The cavity they would make would be some 3,000 or 5,000 feet deep.

The question, of course, is whether you continue to monitor it, as you could readily do, so that at any time in the next 1,000 years you would know whether something was changing slightly or whether you would have the confidence, after you had done further studies and investigations of the Canadian Shield, to say that you could close up the cavity and have it permanently inaccessible to anybody. It's these questions they are worried about.

Mr. Sargent: The salt project in Kansas City is about the best so far, isn't it?

Dr. A. C. Johnson: The salt mines were the first ones that were investigated. The one in Kansas City didn't work out quite the way they had hoped—

Mr. Sargent: It is the best they have so far, though, isn't it?

Dr. A. C. Johnson: I am not sure it would necessarily be the best, but salt mines are certainly a very worthwhile one to consider. We are not doing that in Canada, even though we would have locations that would be appropriate, because the United States is spending a tremendous amount of effort on that and we will benefit from all of their work. But again, we don't need to solve this problem tomorrow morning. We have quite a few years before we have to seriously—

Mr. Sargent: The fact is that we have had the worst experience in America in our programme in Ontario.

Dr. A. C. Johnson: Sorry; pardon?

Mr. Sargent: What's your experience with leakages and breakdowns? The most expensive breakdowns in Canada, the worst experience in all America, we have right here in Ontario.

Hon. Mr. Timbrell: No, that's not correct at all.

Dr. A. C. Johnson: Could you quote your cases, where the breakdowns have been?

Hon. Mr. Timbrell: What do you base that on?

Mr. Sargent: It is based on your \$43 million experience in Pickering last year, the series of messes and untold capers at Douglas Point—

Hon. Mr. Timbrell: If I remember, there was a conference in early 1975 in Paris which had to do with nuclear units around the world, and if I remember the Pickering unit was either the most efficient or the second most efficient of all operating nuclear units anywhere in the world.

Mr. Sargent: It closed down for 1½ years.

Hon. Mr. Timbrell: Pardon me, but that included the shutdown in late 1974.

Mr. Sargent: Would you buy the fact that 70 per cent of the American programmes are in limbo now?

Hon. Mr. Timbrell: Excuse me, could you confirm that point?

Dr. A. C. Johnson: My wording would be the following, Mr. Minister, rather than use the word efficiency, the operating record of the Pickering station was the second best record of any station in the world. The poor record that you refer to could possibly have been the accident at Chalk River in 1952, which was an accident on a research

reactor. It had nothing to do with a power reactor. A research reactor is just an entirely different beast. The effort that was taking place at that time was an extremely important experiment that was helpful to the nuclear power programme, and they were doing things with the reactor that you would never do with a commercial power reactor. That has no relevancy to the history of the Ontario Hydro nuclear power programme.

The shutdown of the reactor because of the tubes that the minister mentioned, I think it's fair to say, is just one of the normal types of mechanical difficulties you have with any new—

Mr. Sargent: Sir, you don't have any fair assessment. I've been talking about the lives of millions of people.

Mr. Chairman: Order.

Mr. Sargent: What is that for? I'm asking him a question. We're talking about the lives of people.

Mr. Chairman: You are making a statement. Mr. Gaunt has the floor.

Mr. Sargent: What is fair about it—talking about the lives of millions of people—when you have breakdowns to that extent? You can't be half right. The chairman of the—

Hon. Mr. Timbrell: Mr. Chairman, on a point of order—

Mr. Sargent: I want to say—

Hon. Mr. Timbrell: On a point of order—

Mr. Sargent: —to this gentleman here. The chairman of the AEC said—

Mr. Chairman: Order, please.

Mr. Sargent: —all we can hope to do is guess—

Mr. Chairman: Order.

Mr. Sargent: —and hope we're right.

Mr. Chairman: Order!

Mr. Sargent: Guess and hope we're right.

Mr. Chairman: The minister has asked for a point of order.

Hon. Mr. Timbrell: Mr. Chairman, I just wanted to make this point of order, I would appreciate it, if the member is going to launch into attacks or whatever, that he not address them to staff who are not in a position to respond. They don't have the privilege—which is sometimes abused—

Mr. Sargent: I think they should get a medal working for this ministry.

Hon. Mr. Timbrell: —of a member of the House. Mr. Chairman, the kind of statements that the hon. member has just made and, the kind of statements I've heard him make before in the House are some of the reasons you have a forum like the Porter commission, an independent tribunal reviewing all aspects of electric power planning, but particularly nuclear power, so that these kinds of statements can be made in a forum where they can be questioned, where they can be reviewed, where they can be challenged.

I've read some of the material that you quote from time to time, from Messrs. Knelman and Edwards. I read some of the material from the United States that comes in here, that has absolutely no basis in fact whatsoever. You like to say there is no proof. The proof is in the operation of our plants. The proof is in the safety standards, laid down for the siting, for the construction, for the operation—

Mr. Sargent: Would you let me finish, sir? Who do you think you are, lecturing to me like this?

Hon. Mr. Timbrell: —of these plants. Listen, I'm trying to tell you some facts.

Mr. Sargent: I don't need your lectures.

Hon. Mr. Timbrell: You never listen to facts anyway.

Mr. Sargent: I'm equal to you in this House.

Hon. Mr. Timbrell: Indeed you are.

Mr. Sargent: I have one vote and I want to say what I think.

Ms. Gigantes: Well get in line like the rest of us.

Mr. Chairman: Mr. Gaunt has the floor.

Mr. Sargent: Okay let him have the floor.

Mr. Chairman: Go ahead, Mr. Gaunt.

Mr. Gaunt: I would just like to wind this up by putting the question this way, Dr. Johnson: You're satisfied in your own mind, and the people who are associated with you in the programme are satisfied that the waste material presents no problem in its disposal and in its safe storage?

Dr. A. C. Johnson: I'd be willing to say there's confidence in the nuclear power community that this is not the most difficult problem they face. It never has been the

most difficult problem. It's been a long-term problem that there's been no urgency to solve. The media has indicated that we will have Rocky Mountains, almost piled up high with waste materials that we don't know what to do with. That isn't the case. The amount of waste material is a relatively small volume.

Now it's quite radioactive and you just can't toss it around readily. It's a problem that they all take seriously, there's no flippancy in consideration of the problem. But it is a problem that has never been of such a concern as the media have made it out to be.

My thinking on this is that previously the interveners—who are quite concerned and sincere, I'm not criticizing them for that, but sometimes they don't have the full story or the experience—for many years always thought in terms of mushroom clouds and that has been the history of nuclear power, based on the developments following the Manhattan project. But once the Rasmussen report came out, in the final form about a year ago, that was so carefully done that the extremely knowledgeable interveners, which was a group called the Concerned Scientists—this is in Boston—even they were satisfied, after they had a chance to ask the author to adjust certain things in the report and review certain things, even they were satisfied that was a fully valid report. As a quick summary, they indicated that with the safety aspects associated with a nuclear reactor the possibility of an accident is one in a hundred million years of operation, which is a safety probability that is far superior to many other things we have every day in our lives.

Now when the interveners found that they just could not break down the logic of that report, they immediately shifted over, and the media has now fiddled with this subject, what to do with long-term disposal of fission products. Now I'm not suggesting that it's a trivial matter, but it wasn't, in my opinion, in the same order of magnitude as far as being a problem as the safety aspect of the reactors.

Thank you very much, Mr. Chairman.

Mr. Stokes: I won't be repetitious. I understand the member for Windsor-Riverside (Mr. Burr) asked about research into the possibility of using wind energy and I'm told that you answered you felt it was in the best interest of the project and the research to have it located on Toronto Island because of its close proximity to the so-called experts who could monitor it and see how it would blend in

with a diesel generating capacity during periods of low wind velocity.

Since you're not talking about a large amount of money in the project itself, and since you did have some co-operation with the federal government; and having regard for the fact that the Department of Indian Affairs and Northern Development was interested in this kind of technology because it's costing them a fair bundle of money to electrify most of those remote northern communities with diesel, which is the most expensive; and having regard for the fact that diesel fuel oil is running anywhere from \$2.50 to \$3.00 a gallon up there, and having regard for the fact—I don't wish to be uncharitable, but just to keep things in their proper perspective it did cost \$43 million to Ontario Hydro to repair the damages to one of your major generating stations down here—surely we weren't asking for a very significant amount of money in the overall scheme of things in order to set up a pilot project to study the viability of wind energy in a place in the province where by your own studies the highest constant wind velocities are in existence, and that's on the shores of Hudson Bay at Fort Severn.

[9:30]

Hon. Mr. Timbrell: The point that was made earlier was that first of all this is a proposal which has come from the federal government, to put it on Toronto Island. Secondly, since this would be the prototype, it is important, I think, to have it in a location that is accessible. If we're going to find whatever hitches there inevitably are in any new system before you commit it for a broader application, then it should be in a location which is accessible to the people in the governments and from the company which has made the proposal, on an easy basis. To constantly be sending officials from here to Fort Severn, to be sending officials from Ottawa to Fort Severn, to be sending staff from the company, which is west of Toronto, to Fort Severn, would, I think, make the pilot project extremely expensive.

Mr. Stokes: I would have thought—

Hon. Mr. Timbrell: One would hope that the pilot project would go without a hitch, that you wouldn't have to make major adjustments; but if it does run into problems I think it's better to have the pilot in a location where, as Dr. Higgin pointed out earlier to your colleague, Mr. Burr, in the winter-time we do get winds which approach those which are in the extreme northwest. It's a matter we attach a lot of importance to be-

cause based on the initial research which you've seen, we think this has a great deal of potential and we want to do it right and in the most expeditious manner.

Mr. Stokes: But I would have thought, though, if you're going to have a wind energy project you're not developing it for Toronto Island or any place in southern Ontario, you're developing it for areas of the province where you have to find new approaches to an existing problem; that is with the high cost of conventional generation you are going to have to come up with new initiatives by using something that's there and all you have to do is harness it.

To suggest that just because it's easier and you've got your technologists here from NRC or ORF or some of those other areas where you do have experts such as Dr. Higgin, it makes a lot of sense, since you're going to use that in remote northern communities where the wind velocities are ideal, but more particularly where you're dealing with temperatures of 40 to 50 degrees below zero, that that's where you should be testing. It may work fine down here on Toronto Island, but if you transfer it 1,100 miles away, and that's just about the distance between here and Fort Severn, that's where you're going to have to apply it. So it seems to me it makes sense to try it out under the conditions under which you hope it will work.

Hon. Mr. Timbrell: If you recall reading the report, there are in fact areas further south in the province than Fort Severn where it might have application. If you recall the report, they indicated that there's a pocket around Guelph and another around Sudbury where it may have application. It's just a matter of trying to use the limited dollars in the best way possible to get the project off the ground, to have it monitored regularly by the staff of the ministries, federal and provincial, and the manufacturer, and to get on with the development of the programme. I'm not trying to hold back the development for Fort Severn or any other communities that might benefit, it's just a matter of starting it in the least expensive and the most expeditious manner.

Mr. Stokes: So how long do you think this pilot project will be in operation before you start answering some of the questions that you're obviously asking?

Hon. Mr. Timbrell: I imagine we're looking at a couple of winters and seasons, but Dr. Higgin can perhaps amplify that.

Dr. Higgin: The initial actual experiment work will run for four months once the installation is complete. We're not exactly sure what time that's going to be, but it will be complete during this winter; we hope by early January it will be up and running. Then we will have to evaluate the data, but I think if the data is very promising, and we'll hopefully rapidly determine that, and if the control system proves to be reliable, there's no reason why a follow-up system couldn't follow within a year or so without any undue problems.

That's in a small, low-power system. I think that we still have to have a great deal of concern about whether we are going to be able to scale up to a significant size of wind generators, and for that we will have to await the results of the Magdalen Islands experiment as well before we can start looking at anything over about 10 kilowatts capacity.

You were saying the conditions that exist in northern Ontario are much more severe. The principal concern with wind generators in winter conditions is icing; and as you probably know, icing doesn't occur at minus 40 degrees, icing occurs at temperatures that are just slightly below freezing. In fact, Toronto is a worse zone for icing conditions than northern Ontario, because the temperatures are often in that sort of area where icing can occur. So in fact from an icing standpoint, it may be a much more severe problem.

It's probably true that we do get higher gusts and so on in northern Ontario in the winter than we do in southern Ontario, but in fact the safety mechanisms on a wind turbine start to deploy at speeds of about 50 or 60 miles per hour anyway, and they have spoilers which will prevent overspeeding.

Perhaps just to show one of the reasons we are doing it here, the company itself made this proposal to the federal government to do the work there and we got involved through the federal government. They have also shipped a turbine to a number of defence department establishments of the federal government. One of these was in Herschel Island, and they had to withdraw that unit eventually from Herchel Island because every time something went wrong they had to fly in a mechanic from Inuvik, and that's the kind of problem that we really can't go at, you know, to have that kind of access.

Mr. Stokes: Okay. There is only one final comment and it has to do with policy. The minister and I have engaged in dialogue

and a series of communications over one particular community in northern Ontario that is particularly hard-pressed because it is going to lose its only source of power at the end of the year, or the end of March, depending on who you talk to, but how close are we to reaching a decision with regard to the provision of power to communities in the north? Those are communities that are the responsibility generally of the provincial government, rather than those that are—

Hon. Mr. Timbrell: Rather than Indian bands.

Mr. Stokes: Yes. How close are you to coming to grips with those communities that are not really isolated in a geographic sense; they are isolated simply because the communication and transportation to them isn't what we would like it to be? I'm thinking in terms of communities like Armstrong, Hillsport, Auden, Ferland, Collins, that are right on the CN main line. The number of people living there really isn't that great, but we couldn't live without them, simply because you have to have small groups of people in isolated communities in the north to keep the transportation system going. If you don't have people to keep the railroads going, where most of our bulk commodities are going from east to west, I think you recognize that we have a collective responsibility to see that they get the highest level of services that it's possible for us to provide.

How close are we to a decision on that?

Hon. Mr. Timbrell: I think we are within a couple of months at the outside on this. As I have indicated to you as recently as I guess it was yesterday, we are looking at a number of alternatives from which we would hope to make some recommendations on qualifications, rate structures and so forth, and be able to get something out in the next couple of months.

Mr. Stokes: What are the problems? The need is there, you have recognized the need, and I don't think it would be unfair for me to say that you are committed to doing something about it. Ontario Hydro has a lot of expertise in this field. They have their formula, they know the best way of providing power, and I think we have all come to the conclusion that it would be impractical to just go ahead and build transmission lines to every small community that is without power. They know the costs of generating by diesels and they know that, generally speaking, for every customer of Hydro—whether residential, rural, commercial, industrial or a power customer—somehow you

make the rate schedule as equitable as possible. I think you know what you are going to do. You know you are going to provide power at a reasonable cost to those people and it's going to be absorbed within the system.

I really can't see why it's going to take as long as it has—or why it should have taken as long as it has—to come to grips with the problem.

Hon. Mr. Timbrell: It's a matter of coming up with a policy which is fair and equitable in terms of a variety of things. First of all, the type of power you are talking about and whether some form of line extension could be justified. Secondly, if that's not feasible, the type of generation, and you are probably looking at diesel generation.

I guess the thorny one, or one of the thorny ones, is the question of which communities? Where do you draw the line? Obviously, given the costs involved, of which I know you are aware, you can't electrify every single community. The point is where do you draw the line? What is fair?

Mr. Stokes: I would say anything over 25 families.

Hon. Mr. Timbrell: The question becomes why not 15? Why not 35 or 45? It's a point. Once you make a decision on that, you have to look at the question of a rate structure.

Mr. Stokes: The rural rate; there isn't anything more rural than Hillsport.

Hon. Mr. Timbrell: Then it becomes a question of how to use the rural rate; how the difference is to be picked up. Is it to be picked up from the rest of the bulk power system? Is it to be picked up by the provincial Treasury? Is it to be picked up by some other ministry which relates to northern development? This sort of thing. These are all things that go into it because when we come up with a policy I want it to be a policy which is not only fair but is seen to be fair and operable.

The other thing I should mention to do with these communities—once you determine eligibility again, financial resources being what they are, you can't do them all in one year. It then becomes a question of which ones do you do first and what will be the schedule? Do you do it over three years, five years, seven years, nine years, 11 years? These are all things that have to be pinned down before we can come up with it but I do expect to come up with something in the next couple of months.

Mr. Stokes: I don't want to prolong this—I have to go back to the Chair anyway—but in terms of the six communities I can think of in my riding—I'm sure any northern member could do the same—you are probably talking about a 50 kw. generator which can be purchased for less than \$15,000. You put the onus on the people you're serving to operate and maintain it and most of those people in the north have had experience with small generators. You put some responsibility on them to make sure it's maintained so that every time you have a little malfunction you don't have to helicopter somebody in for several hundred dollars. You put some onus on them. They have a responsibility because this is a service you are providing for them and they are prepared to do that.

Hon. Mr. Timbrell: Okay. This raises other questions which go into the hopper when we are trying to arrive at a decision on this. What do you do about metering? That's an area we have to look into. What do you do about metering?

Mr. Stokes: You set up a little power association. You give them the responsibility of monitoring it, maintaining it and metering it.

[9:45]

Hon. Mr. Timbrell: There is another question. Do you do it that way or do you do it through Ontario Hydro as part of the rural power district so Hydro would be responsible for operation, maintenance and billing? Most of these people—let's take Hillsport as an example—are on a flat rate; there are no meters. That is a very real problem right there. What do you do about that? Do you put them on—obviously they have to go on meters—do you put them on—

Mr. Stokes: I wouldn't say it is necessary. They are entitled to 120-amp service now at the present time, which isn't very much to you people with your 100-amp and your 200-amp services. Your expectations are much higher.

Hon. Mr. Timbrell: I have your 60-amp, not your 100-amp.

Mr. Stokes: You have the 60-amp?

Hon. Mr. Timbrell: Your basic 60-amp, right.

Mr. Stokes: You must have an apartment.

Hon. Mr. Timbrell: No.

Mr. Stokes: You must wear sweaters or something. I don't want to nit-pick, I just

want to impress upon you, Mr. Minister, how urgent it is, particularly in the case of Hillsport, because they have had power all along and if those lights go out, they are going to have the sympathy of 8.5 million people, less the 19 families, one school and two commercial establishments there. I mean everybody realizes that we collectively have a responsibility to do something. I don't think you need that kind of hassle; you have enough right now. All I am saying is, before those lights go out at Hillsport for God's sake do something.

Hon. Mr. Timbrell: As I told you yesterday, by way of a copy of a letter to the chairman of the citizens' group up there, we have been able to get an extension to the spring, and I think that should buy us sufficient time to resolve it. Let's not kid anybody, the same people in Hillsport, even if you went to whatever rate structure you go to, if you want to take the rural power district rate structure, they are going to pay a lot more than they are paying now. They have some of the lowest electricity prices in the province of Ontario today.

Mr. Stokes: They realize that. We have assured you of that. We appreciate that.

Hon. Mr. Timbrell: So if there is any problem, whatever the final resolution, then I can count on you to support that and explain that to them?

Mr. Stokes: It was as a result of my explaining that to them that when we came down here I gave you the easy way out. I said: "Mr. Minister, give us \$15,000 and then forget about us"; that is what I asked for initially.

Hon. Mr. Timbrell: I have only been in government seven years all told—

Mr. Mancini: Too long.

Hon. Mr. Timbrell: —but I learned that doesn't usually work.

Mr. Stokes: It doesn't solve all the problems, but because of the nature of the beast in northern Ontario, they were prepared—if they could have got \$15,000 to go out and buy a 50-kilowatt generator and wheel and deal with American Can for a back-up—to do all the maintenance, provide all of the fuel. You have been much more generous now. You have raised their expectations. Obviously, they would be foolish to settle for just a generator when you have indicated to them that you are going to approach it on a

much more realistic scale, and we appreciate that.

Hon. Mr. Timbrell: I am trying to come out with a policy that is going to cover all communities in similar circumstances.

Mr. Stokes: I am not being uncharitable, I just want to impress upon you the urgency of it.

Hon. Mr. Timbrell: I understand.

Mr. Mancini: I have a few questions for the minister. I would like to start off by asking the minister about the future of the Clark Keith plant in Windsor? As the minister knows, this plant was closed down approximately eight or nine months ago, and it put well over 100 employees either to a different job or they had to move. It has been said that the plant will open up in approximately 26 or 28 months.

I was just wondering if the minister could inform us if the reopening and the refurbishing of the plant are on schedule, and if we really can expect this plant to be in operation again? I realize that at one time this plant was considered obsolete, and that was one of the reasons why it was closed to rebuild it. Also there were quite a few occasions on which the environment people had called up different managerial people at the plant, complaining about pollution. On more than one occasion when they called the plant wasn't even in operation, so I really don't know what the environment people were complaining about. I think they had their gauges wrong on more than one occasion.

So we have to believe that the plant was closed to be refurbished and to be restored in a more modern condition. I would like to know when the plant will open up and if it will employ all the former employees and approximately how many jobs it will create?

Hon. Mr. Timbrell: I don't believe, Mr. Chairman, that a decision has been taken yet on whether it will reopen, and if so as what kind of plant. I am trying to remember the fixtures. There were a number of employees who took early retirement; there were a number who were recruited into the nuclear division, and moved to different stations.

I got a good neighbour out of it; a fellow who moved in two doors away from me is a former operator at J. Clark Keith and is now an operator at Hearn in Toronto. I don't believe a decision has been taken on that. Let me check into that.

Mr. Mancini: Really, I have to object to what you said, because I think it was made public more than once in different documents, and I have to apologize for not having any of them here now, but I certainly will get out the file.

Hon. Mr. Timbrell: It will be evaluated.

Mr. Mancini: I know, because I had been talking to the union steward there, that he was told the plant was going to reopen; I am very surprised.

Hon. Mr. Timbrell: You may be right. I haven't looked at the material on it for a number of months.

Mr. Mancini: Are any of the staff here who might know if the plant is going to be reopened, or what the status is?

Mr. Frame: I think Ontario Hydro may have indicated that they were considering upgrading the plant. The reason the plant was closed is that it was the lowest efficiency plant on the Hydro system. I think the figure is about 29 per cent. It was opened in 1951, 25 years ago. The type of burning equipment, and conversion and boilers and condensers are antiquated, so that the plant was of a poor efficiency. Secondly, the environmental problems it was causing in the Windsor-Detroit area were great.

Mr. Mancini: I really have to challenge you on the environmental problems because I just stated here to the minister it was on more than one occasion that the environmental people had called some people in a managerial position at this plant and complained about pollution, and the plant was totally shut down. I really don't think they had their gauges right, or whatever they use.

Hon. Mr. Timbrell: That is probably true, but there are more occasions than that.

Mr. Mancini: I tell you where the pollution came from, it came from Detroit where all those steel mills are, that is where it comes from.

Hon. Mr. Timbrell: There were many more occasions when the shutdowns were justified because of the antiquated system in the plant, relative to current technology.

Mr. Frame: The plant was a relatively small one; four 66-megawatt sets in it, about 230-240 megawatts total. One unit at Lakeview is 500.

Mr. Mancini: Do you recall how many employees were there?

Mr. Frame: I believe about 200 total.

Mr. Mancini: Yes, I am sure it was about that.

Mr. Frame: There were complications.

Mr. Mancini: Excuse me, but do you usually need 200 employees to run such a small plant? You are just telling us now that it is small and doesn't give out much energy. It was shut down quite a bit. Do you usually need that number of employees?

Mr. Frame: I think it may tie in with the technology that was in place in 1951 when the plant was upgraded. It wasn't as automatic a plant as with some of the modern equipment available that goes in now. One of the problems was that it was Hydro's first steam plant. The employees at that plant belonged to a different union than workers at other plants in the Hydro system. I am not able to explain the details of that to you. They did not have transfer rights, as readily, with other unions. But nevertheless many of them were transferred to other parts of the Hydro system. A few took earlier retirement, a few went to other parts of the system.

Mr. Mancini: What I really want to know is if the plant is going to reopen. What stage of the process are you in now?

Mr. Frame: I believe Hydro has stated they are considering what possibility there is of upgrading the plant—that means new boilers or new generators—but there has been no commitment made to reopen the plant whatever.

Hon. Mr. Timbrell: Why don't I check further into that for tomorrow. My understanding is that no decision has been taken. It is still very much in review.

Mr. Mancini: This is very serious because there are at least three or four people I know of who have not sold their homes and who work at Nanticoke—is that the name of the plant?

Hon. Mr. Timbrell: There is a station called Nanticoke.

Mr. Mancini: Yes. There are three or four people from my riding who have not retired and who have not quit but have transferred to Nanticoke because they were informed the plant was going to reopen and they would be the first ones hired back in their old jobs in approximately 2½ years. If this is not true I really don't know why these people did this.

Hon. Mr. Timbrell: It would be helpful to know who told them that. I don't think it would have been the Hydro people but I would like to check. The generation staff people aren't here tonight and I would like to check with them in the morning. My understanding was the commitment from Hydro was that they will review the possibility of upgrading the station but I don't believe a commitment has been made. It would be helpful to know who told them that, whether it was some Hydro official or union official or perhaps, as can and does happen from time to time, it was just a rumour that started.

Mr. B. Newman: The employees were told that you were going to spend up to \$25 million in converting it to oil.

Mr. Mancini: That's correct.

Hon. Mr. Timbrell: Who told them that?

Mr. B. Newman: We were told that by the employees on March 7 of this year, at 2:30 in the afternoon in a meeting with local 109.

Hon. Mr. Timbrell: But who told them that?

Mr. B. Newman: Your officials wouldn't have told us that?

Mr. Mancini: Some authority must have told them that.

Mr. Shore: Why challenge it, because the ministry has said—

Hon. Mr. Timbrell: I have already said I will check it in the morning. My understanding—

Mr. Mancini: Are you speaking as a Liberal or a Conservative or what?

Mr. Shore: I am speaking for a common-sense question and answer.

Mr. Mancini: I see.

Hon. Mr. Timbrell: I indicated that my understanding is that it is still being reviewed as to whether it will be upgraded. We'll check with the generation system people in the morning to see if my understanding is incorrect. Either way, I will respond to it when we sit again tomorrow.

Mr. Chairman: Mr. Newman, could we have the date of that announcement again, please? You had a date.

Mr. B. Newman: It was March 7 at 2:30 in the afternoon. We met with local 109 of

the union at their office at 1508 Parent Avenue.

Mr. Mancini: It's pretty serious when people have not sold their homes and they are travelling back and forth—

Hon. Mr. Timbrell: I understand that.

Mr. Mancini: I want to make sure the minister realizes that.

Hon. Mr. Timbrell: At the same time, you understand, I am sure, the government is constantly putting pressure on Hydro—this comes out time and again in the House—and on the Energy Board to improve the efficiency of the system. When you are talking about the oldest and least efficient steam plant in the system with such a small capacity—it's basically a peaking plant—then you've got to consider this sort of thing when you are constraining operational budgets. I hope you are not suggesting that we should order them to maintain a plant which they know is uneconomic.

Mr. Shore: Mr. Chairman, on a point of personal privilege—

Mr. Mancini: Can I read you an article from March 4—

Mr. Shore: I think the member for Essex South should have clarification. I think he implied that the member for London North doesn't care about this situation. I can assure him the member for London North cares as much as he does. The issue is the minister made a statement that he was going to try to gather the information and give him an answer. It is too bad the member for Essex South isn't capable of understanding that.

Mr. Mancini: Are you taking Frank Drea's position now when he is not here to defend all government policy?

Mr. Sargent: He's getting as tough as a Tory now.

Ms. Gigantes: Overnight.

Mr. Mancini: I think the minister can defend himself with his staff here.

Mr. Chairman: Order, please.

Mr. di Santo: Fighting among yourselves?

Mr. Sargent: No, we don't need him any more.

Mr. Mancini: I would like to read an article from the Windsor Star dated March 4, 1976, and the headline reads, "Keith to retain only nine." The story goes on:

"Ontario Hydro plans to retain only nine employees at the J. Clark Keith generating station in Windsor after it is moth-balled. Cliff Scott, business agent of local 109, Canadian Union of Operating Engineers, said he was told Wednesday that Hydro will keep a plant superintendent, a clerk, a maintenance man and a six-man operating crew at the station.

"At present the station has 155 regular employees, including 130 members of local 109. Mr. Scott said a March 12 meeting will give Hydro officials a chance to answer questions raised Wednesday at a three-hour union-management session.

"He said union members raised many questions about retirement and layoff procedures and plans for the plant. Hydro officials, said Mr. Scott, refused to give the union a guarantee that the plant will be reopened. He restated Hydro's announcement last week that it will reopen the plant in 1979 after a costly conversion to oil. Laid-off employees will be eligible for a week's severance pay for each year of service beginning with the third year.

"Mr. Scott said he expects many employees will take early retirement instead of going through the disruption of transferring to Hydro operations in other parts of the province. On Wednesday, the Keith station employees complained that they were not being given separation notices, effective April 30, while operating the plant at almost full power."

[10:00]

The minister can see there were some people who were led to believe this.

Hon. Mr. Timbrell: The question is on what basis they developed that belief. Again, I will get more facts in the morning from the generation staff and give you a complete answer tomorrow.

Mr. Mancini: The member for Windsor-Walkerville (Mr. B. Newman) has just given me an item from Hydroscope, which is printed by Ontario Hydro. It's dated March 5, 1976, and the headline reads: "Coal-Burning Plant's Temporary Shutdown Will Save \$6.2 Million." So people were led to believe that.

Hon. Mr. Timbrell: The question is by whom?

Mr. Mancini: Well, it's right here.

Mr. Ruston: They classify it as moth-balling; that's what Mr. Taylor said.

Hon. Mr. Timbrell: This is what I was saying earlier, before you came in Mr. Ruston.

Mr. Ruston: I have the letter here from them dated March 25, 1976.

Hon. Mr. Timbrell: It's a matter of making an assessment as to what it would cost to retrofit the plant and relative to what it would cost, say in new plants, whether it is worth redoing.

Mr. Mancini: It's safe to assume right now that none of your people has taken steps to reopen it.

Hon. Mr. Timbrell: It's safe to assume that it is under review; if there's anything more than that, then I will say so tomorrow. My understanding at this point is that it is under review as to the cost benefit of such a possible reopening.

Mr. Mancini: There is another concern of some of the people in my area, especially the farmers. I am sure the member for London North (Mr. Shore) is also concerned about the farmers.

Mr. Shore: Right on.

Mr. Sargent: In downtown London.

Mr. Shore: In downtown Owen Sound.

Mr. Chairman: Order, please.

Mr. Mancini: However, I would like you to clarify a few things that have been brought to my attention by one of the chairmen of the marketing boards in the riding of Essex South. He attributed a statement to yourself that said that farmers use 20 per cent of all the energy consumed in the province of Ontario.

Hon. Mr. Timbrell: No.

Mr. Mancini: He wanted me to get a clarification from you on this.

Hon. Mr. Timbrell: I believe what I said was that of the energy that goes into food, 20 per cent is consumed out to the farm gate and that 80 per cent then is consumed in the shipping from the farm gate, the processing and so forth.

Mr. Mancini: Maybe you can find a different way of saying that because there are many people who took the idea that 20 per cent of all the energy consumed in the province was used up to the farm gate. There's a publication from the agrologists who say that up to the farm gate the farmer only uses about two

and a half or three per cent of all the energy consumed. Maybe you can throw in that.

Hon. Mr. Timbrell: That's probably true just as the 20 per cent of the energy consumed in food production is true.

Mr. Mancini: There is also another statement attributed to yourself and brought to my attention on which I would also like clarification. This is about your attitude towards greenhouses.

Hon. Mr. Timbrell: I am all in favour of them.

Mr. Mancini: Are you really?

Hon. Mr. Timbrell: Why? Do you think that I am against them?

Mr. Mancini: I have been informed there have been statements attributed to yourself that you are really not in favour of greenhouses because of the amount of energy they consume to produce a product. I just want you to clarify it. I am raising the matter, so the minister could clarify it.

Hon. Mr. Timbrell: I have never ever argued against the greenhouse sector. I am not sure of the source, as it could be any one of several hundred over the couple of years I have been minister, but—

Mr. Mancini: It's good to know that a lot of people are listening.

Hon. Mr. Timbrell: —it could be the concern which I have expressed about the volumes of fuel which are consumed in the greenhouse industry and that, as part of the energy management programme, we have to try to find ways to assist the greenhouse industry to maintain productivity while using less fuel.

If I remember the statistics properly, there is something like one gallon of fuel used for every two pounds of produce. That's pretty heavy. As part of the energy management programme, there is a programme in the Ministry of Agriculture and Food, which is investigating alternative sources to assist the greenhouse industry, as I say, to maintain their productivity but to use less fuel.

Mr. Mancini: Could you elaborate on some of the alternative sources? I'm really concerned about this, because approximately 75 or 80 per cent of all the greenhouses in the province are situated in my riding. We'd like to know exactly what your ministry is doing to assist the average greenhouse farmer

to cut down on his fuel costs, because he sure would like to cut them down.

Hon. Mr. Timbrell: Let me ask Dr. Rowe, who is the director of energy conservation and who deals with this on a regular basis, to elaborate on this particular part of the energy management programme.

Dr. Rowe: There are two areas of concern. One is in the area of greenhouse operation for purpose of vegetable production and the other is greenhouse operation for the purpose of the ornamental plant industry.

Mr. Mancini: Do you mean flowers?

Dr. Rowe: That's right.

Mr. Mancini: We have both, and I'd like you to elaborate on both.

Dr. Rowe: Of the two programmes that are currently funded, the one in the ornamental plant industry is through the horticulturalist at Vineland—

Mr. Mancini: Where is that situated?

Mr. Shore: Near Beamsville.

Dr. Rowe: —and it's administered through the Ministry of Agriculture and Food offices out of Ridgetown. The other programme is on soil warming in the greenhouse industry, and it is also administered through Ridgetown.

We have a number of preliminary reports that have been received; with your indulgence, I'll attempt to describe the terms of reference and what they are attempting to do.

In the soil warming experiments they used tomatoes as the trial crop. The attempts there were to find the best temperature and humidity operating conditions in order, I guess, to minimize the plant growing time and to minimize energy conditions.

In the experiments that were carried out, a number of greenhouses were operated over a different temperature. For example, the minimum night temperature in one house was held at 11 degrees Centigrade and in another house it was 16.5 degrees Centigrade.

Some 76 trials of this nature were carried out in order to plot the relationships between humidity, soil conditions, temperature, exposure to light and what have you.

Mr. Mancini: How would the average greenhouse farmer in Ontario be able to relate to this?

Dr. Rowe: I guess you were absent this morning but, to go over the manner of

operating such a programme, the objectives were set up by the staff of the Ministry of Agriculture and Food in conjunction with representatives of the horticultural and vegetable industries. The experiments were set up to achieve these energy savings without reducing yields—this is a very important parameter—and to carry out the energy analysis of the greenhouse operations by means of carrying out tests and to draft design guidelines for the optimum conditions of soil warming and what have you in greenhouse operations. It's a two-year programme really to establish the final results.

Mr. Mancini: Are you in the first year of the two-year programme?

Dr. Rowe: We're now in the second year of the programme.

Mr. Mancini: Has there been any contact with the greenhouse marketing board or any of the people in the Leamington area where we have about 75 per cent or maybe more of all the greenhouses in the province?

Dr. Rowe: There are several associations, which presumably include the greenhouse growers with whom the staff work. I believe they maintain a good rapport with the directors and so on.

Mr. Mancini: Do you send them reports and that type of thing?

Dr. Rowe: That is right. The mechanism, as I say, was for MAF to identify the job and then through us to fund the programmes and then go back to Ridgetown which is our energy dissemination point. From that point, newsletters are sent out and design specifications for greenhouses will be sent out. The energy van will have additional greenhouse detail made available for supplying to agricultural fairs and so on around the province. The medium is to provide these newsletters, bulletins and design notes and then also advice notes to the agriculture and food engineers at their annual meetings.

Mr. Mancini: Do you have any expectations of how much energy your two-year programme will be able to help the farmer save? Did you set yourself a goal when you first started the course or the programme?

Dr. Rowe: I can't answer that question immediately but typical is a related area of tobacco-drying where the goal is 10 per cent. We are talking about 10 or 15 per cent.

Mr. Mancini: Could you find out for me what your goal was for this programme or

if you had a goal for the reduction of energy when you first started?

Dr. Rowe: One of the interesting points I would make to you is that it was possible to strike a goal because this is a new research area. It is a demonstration area. It's been necessary to carry out the 74 trials for tomato operations alone in order to find and determine the cost effectiveness and the energy effectiveness.

Mr. Mancini: Let me put it this way then, since you are in the second year of a two-year programme, do you feel that the first year has been successful enough to be able to pass on to the greenhouse farmer knowledge that he will be able to save energy and get the same yield of crop?

Dr. Rowe: It is my understanding that the second-year programme would not have been funded unless there were good and strong indicators that at the end of the second-year programme we would be in a position to disseminate this to the industry.

Mr. Mancini: And that goes for flowers too?

Dr. Rowe: That's right.

Mr. Mancini: Also, in the ministry is there any discussion or any studies going on on the topic of methane gas for agricultural use? Could you elaborate on that?

Hon. Mr. Timbrell: That comes under the energy management programme. Dr. Higgin will answer that question and give you some of the background of the studies that are underway.

Dr. Higgin: There is a major project on methane gas going on at the University of Winnipeg. This is funded by the federal government, and also Shell Canada has given a grant through the Biomass Research Institute for this work. I visited the facility this summer and also Dr. Rennie visited the facility. The one thing that is very unclear right now is the question of how the economics of this thing are going to work out. The reason they remain unknown is that the power used in the process and also the heat used in keeping the digestors warm in winter and so on, as they had it set up initially, were using all of the energy that was being produced.

[10:15]

However they have got around these problems by a number of fairly straightforward engineering solutions such as insulating the digestors and putting in better pumps and

equipment. Now things are working a lot better but we still find, and I think they would confirm this, that for straight energy production it's very unlikely that this is going to compete with any fuels perhaps other than propane bottled gas.

It is kind of expensive to produce and the only advantage that exists is that this can be rolled in with a pollution control measure. In other words, if a farmer has an intensive hog operation and he's in some kind of problem with effluent treatment and so on contaminating water courses, his normal option is to put in an aeration ditch or an aerated lagoon or something of this type. This has a capital cost associated with it which is roughly half that of the methane digestive system. If you can give this pollution control credit, then the gas comes down to reasonable levels.

We have had work done by the University of Waterloo and we have an outstanding research proposal from the University of Waterloo. Basically their costs, in terms of the price of the gas, that they were projecting were around \$10 for a million BTUs or, if you like, 1,000 cubic feet of natural gas equivalent which is a pretty expensive type of gas.

I think what we are really saying is that we certainly have been for some time considering a demonstration project in Ontario. However, we feel that it's now in order to wait until that programme in Winnipeg is finished and the results of that are known. They are doing a lot of work on system optimization which will reduce the costs and will increase the energy output from the process. For us to start back at square one and duplicate their work at this point in time would not perhaps be the best thing to do. It's an ongoing item which we review continually with the Biomass Institute of the University of Winnipeg, and when the time is right I think there is sort of a tacit understanding between us and the Ministry of Agriculture and Food that we will do a demonstration project here. The possible site that's been discussed is the Arkel Research Centre which is associated with the University of Guelph. That's really the situation as it stands.

Mr. Mancini: That's all the questions I have now, Mr. Chairman.

Mr. J. Johnson: I have a couple of questions relating to the American election on Tuesday, November 2, and I quote from the Globe and Mail of Wednesday, November 3,

"Nuclear plant curbs defeated across the US.

"The measure to suffer the most resounding defeat was that to limit the growth of nuclear power plants by imposing strict safety standards. Such a proposal was turned down handily in Arizona, Colorado, Montana, Ohio, Oregon and Washington."

I also understand that in June it was defeated in California. In all six referendums the American people opted for nuclear power. Is this a question that's reasonable to ask you: Are we ahead of the Americans in safety or behind them or comparable?

Hon. Mr. Timbrell: Shall I give my bravado answer and say we are ahead? I was in California for a few days in late February or early March when the campaign was just starting and it was interesting to me that being presented were some of the more emotional, less fact-based arguments and for the first time it was in a public forum and the proponents and the opponents were taking their positions to be decided. You are talking about different systems, you see. First of all, the CANDU system, as you know, is a natural uranium heavy water coolant system, whereas the Americans have an enriched uranium natural water system by and large. They are quite different in their design and their operation.

The point that I think has to be borne in mind is that here in Ontario what we are doing is to involve the royal commission in a frank and open examination of all aspects of electric power planning, as I said earlier, particularly nuclear, so that those who have positions contrary to the policy of not just this government and the utility in this province, but the policies of the governments in Manitoba, Quebec and New Brunswick, have the opportunity in a public forum to state their positions, or ask their questions if they don't have a particular position or alternative, or just simply state a concern. That commission will then make its recommendations and, as you know, the government has committed that there will be a select committee of the House set up no later than the fall of 1977 to review and to consider the commitment.

The other interesting thing is the margins in the particular votes. In the June 8 primary in California, as I recall, it was something like two to one, but two weeks ago tonight in Arizona it was 70 per cent against the referendum, 30 per cent in favour. Colorado was 71 per cent against, 20 per cent in favour. Montana and Oregon were 58 to 42. Ohio 68 to 32 and 67 to 33 in Washington. To ask if we are any further ahead is, as I said earlier, perhaps comparing

apples and oranges since our systems are quite different. Again I would like to ask Dr. Johnson, who has been involved in the nuclear programme for so many years, to comment on the comparisons in the systems. You mentioned earlier the Rasmussen report. Rasmussen is not a Russian prince, he is a professor at the Massachusetts Institute of Technology and he was commissioned to prepare a report on nuclear power in the United States. You might want to perhaps add to what you said earlier about the Rasmussen report.

Dr. A. C. Johnson: I think when one talks about safety with nuclear reactors, you have a bit of a problem. When you are talking about the probability of an accident, you look at history and you are really talking about statistics such as automobile accidents. You know that for the last 30 or 40 years there has been so many thousand people—something like 30,000 to 50,000 people a year—killed in North America in automobile accidents; that's statistics. In the case of accidents with nuclear power reactors, since there has been no accident with a nuclear power reactor, all you can do is talk in terms of theoretical probabilities. The number that Dr. Rasmussen arrived at, working with huge resources—I think the study was a \$6 million study and he could call upon any of the resources in North America to help him do the task—was the figure of one in 100 million years of operation you would expect to have a major catastrophic accident with a nuclear power reactor. There must be some leeway. That's a nice round number, 100 million years. If somebody says that another type of reactor has a probability of one in—

Mr. Sargent: It's the end of the world then.

Dr. A. C. Johnson: I must concede, I'm not trying to be glib on this, I recognize as well as everybody else that the accident can occur in the first year just as well as in the 100 millionth year, but this is the way you talk, using probabilities.

Mr. Shore: What's the definition of a major catastrophic accident? What would your opinion of that be?

Dr. A. C. Johnson: There has been a study that has been considered the most reliable and continues to be recognized as the most reliable because when they reviewed it with a competent group they decided not to change any of the judgements that were made in the 1954 report. The 1954 report indicated that the maximum accident anybody could conceive of with a nuclear

power reactor would be a loss of something like 3,000 people with maybe 40,000 other people that would have radiation effects that might take their lifetime before the effect would show up. That's the maximum credible accident, assuming every aspect was unfavourable. I would call that my definition of a catastrophic accident.

What I was about to say was that if you studied another system and concluded that, instead of one accident in a 100 million years, the probability was one accident in 110 million years, do you really feel any more comfortable? Or if it was only once in 90 million years, do you feel any less comfortable?

Mr. Sargent: What a snow job this is.

Dr. A. C. Johnson: If you compare the American system to the Canadian system, you might get some agreement that one had a variation of the order that I was talking about, but the conclusion really should be that both systems are considered to be ultra-safe and therefore acceptable as far as the risk is concerned.

Mr. Sargent: Have you read the book called "Poison Power"?

Dr. A. C. Johnson: I'm not sure I've read the specific book in detail.

Mr. J. Johnson: I have one more question which relates back to the solar energy we were talking about. I would consider Arizona has as much sunshine as practically any state in the union, and more than most by far. If solar energy is the answer, why would Arizona go so heavily toward nuclear power? You mentioned 75 per cent, and the percentage doesn't really matter, but why wouldn't the southern part of the States be more conscious of the solar energy than apparently they are?

Hon. Mr. Timbrell: I think you've got to separate solar energy and solar heating and cooling. Solar heating and cooling is available. There are various systems available now, albeit they vary in costs, some of them being extremely expensive. Solar energy, that is, the production of electricity from the sun, is a long way off in terms of the development of a unit which, first of all, would have the capacity equal to anything like a nuclear generating station or, for that matter, a fossil fuel generating station and, secondly, anything that would compare in costs. In reading the reports out of states like Arizona, the point that was made repeatedly was that at this point in time there is no alternative for

a state like Arizona other than to consider fossil fuel and nuclear power.

Mr. Sargent: Arizona voted down nuclear power.

Hon. Mr. Timbrell: No, they voted for nuclear power.

Mr. Sargent: No, I've got the record here.

Mr. Shore: He read the wrong article.

Hon. Mr. Timbrell: It depends on how you read it.

Mr. Chairman: Order, please.

Hon. Mr. Timbrell: In each of the six states—seven including California—the referendum was worded in such a way that if you voted for it—

[10:30]

Mr. Sargent: Oh, come on. Colorado, Oregon, Washington, Montana, Ohio and Arizona all voted it down. You know that.

Mr. Ruston: No, they all voted for it.

Hon. Mr. Timbrell: They voted down the referendums—or referenda; we've got a former Latin teacher here—and therefore voted for nuclear power. In each of those cases the referendum question was phrased in such a way that if you voted for it, then you were voting to stop nuclear development and, in a couple of cases, to phase out existing nuclear plants. If you voted against the referendum question, then you were voting for the continued development of nuclear power.

In all seven cases the referendum questions were defeated. Therefore, the people in those seven states voted for nuclear power. In addition, of course, in the state of Washington they elected a new governor who is the former chairman of the Atomic Energy Commission of the United States and a very strong advocate of nuclear power.

Ms. Gigantes: And they voted for a president who is avowed to limit nuclear power.

Hon. Mr. Timbrell: That depends which speech you read.

Ms. Gigantes: I didn't read them. I saw him—

Hon. Mr. Timbrell: If you look at his speech on May 8, I think it was, at the United Nations, then compare that to what he had to say in the first presidential debate—

Ms. Gigantes: Which I saw.

Hon. Mr. Timbrell: —and to some of the other speeches in the campaign, depending upon the position you want to support, you can support it by any one of those speeches. It's really an unknown as to what President-elect Carter has in mind.

Ms. Gigantes: He also links his attitude a lot to his experience here in Canada.

Hon. Mr. Timbrell: Dr. Johnson might comment on his experience in Canada. It's an interesting point.

Dr. A. C. Johnson: As far as I recall, his experience was at the time of the accident in 1952, when the US Navy were very helpful in that they were willing to send crews of people up to help clean up. In doing so, of course, they did receive a certain amount of radiation, but they were on the clean-up crew only for a period of 10 days or two weeks until they had received what you would consider an acceptable dosage of radiation and then a new crew came up.

The US Navy were willing to do this because they wanted to gain the experience of exactly how to go about cleaning up when you have an accident or an incident on a warship. I understand that Mr. Carter brought one of those teams up in 1952 to Chalk River; so his experience was limited to that.

Hon. Mr. Timbrell: Excuse me. The point was made earlier, of course, that the Chalk River unit is not a Candu unit or even one of the units that would be used in the United States today. It was a very experimental unit.

Dr. A. C. Johnson: That's right. Might I also add to your remarks regarding Mr. Carter's position? I think the comment I heard him make in one of the speeches you refer to was that he would move into the nuclear power area only as a last resort. But, in the opinion of many of the people in the energy business, we're already at our last resort. Now that Mr. Carter is in office, he may find that he'll have to use his last resort immediately, and his programme will be very similar to what Mr. Ford's programme has been.

Mr. Chairman: It being 10:30 of the clock—

Mr. Sargent: May I ask one question before you cut me off, Mr. Chairman?

Mr. Chairman: Okay.

Mr. Sargent: Mr. Minister, I'll conclude by saying that I've talked to the authors of the book called "Poison Power;" they have studied this a lot over the years and they're

willing to come to Canada to go on an open panel, an hour show, or whatever, with top authorities in Canada, AECL and possibly you, to show the pros and cons of the dangers of the nuclear game we're playing now. Would you be willing to appear on a show with them if I can set it up, Mr. Minister?

Hon. Mr. Timbrell: I think the best thing, rather than that, would be to get them here and ask them to state their points of view and their concerns before the royal commission.

Mr. Sargent: AECL has turned this down at the Ottawa level. They don't want to let the people know what we're faced with. In the interests of the Ontario—because we're involved in a \$35-billion programme—do you believe enough in what you're selling that you would go on a panel with them?

Hon. Mr. Timbrell: I'm saying to you that I think the forum to consider—I don't know who—

Mr. Sargent: You're not answering my question. Yes or no?

Hon. Mr. Timbrell: I'm going to answer your question. Who are the authors?

Mr. Sargent: I've got the book in my office. I'll get it for you. I've been in touch with them a number of times over the year. They knew it and they're willing to come any time I can set it up.

Hon. Mr. Timbrell: I think that the best place to consider these points of view, rather than staging a circus, is to have people like this, whether it's Professors Knelman and Edwards from Montreal or whoever, appear before the royal commission. The government is trying to approach this in an open objective manner.

Mr. Sargent: You're afraid of it, are you?

Hon. Mr. Timbrell: I'm not afraid of it at all. Otherwise we wouldn't have the royal commission.

Mr. Sargent: Will you give me a yes or no?

Hon. Mr. Timbrell: I'm saying there's nothing to be served by staging a circus. The place for these points of view to be expressed is before the royal commission where all points of view are going to be expressed. The Canadian Nuclear Association has appeared before them; Hydro has appeared before them; the ministry has appeared before them; different individuals and groups around the province have appeared before

them with concerns they have. I think Professors Knelman and Edwards have appeared before them, have they not? Yes. They work out of Concordia University in Montreal.

Mr. Sargent: Well, thanks for this point. The fact is Jack's concerned and there must be members of your government who are concerned. Will you go along on an inquiry bringing them here?

Mr. J. Johnson: I would like to clarify that. I took the opposite tack.

Mr. Sargent: You're not concerned about nuclear power?

Mr. J. Johnson: It states here that the measure to suffer the most resounding defeat was that to limit the growth of nuclear power plants by imposing strict safety standards.

Mr. Sargent: You're in favour of it?

Mr. J. Johnson: I'm simply stating that the six referendums were—read it yourself.

Mr. Sargent: I don't read that much.

Hon. Mr. Timbrell: I think the point is, if I can just—one last sentence.

Mr. Chairman: It's now 10:30. I'll now leave the—

Mr. Sargent: It's like trying to sell a Republican peanuts when I ask you that question.

An hon. member: A Democrat selling peanuts.

Hon. Mr. Timbrell: The point is—

Mr. Chairman: I will now leave the chair and we will resume at 2 o'clock tomorrow.

Mr. Sargent: It's on the record; you won't do it.

The committee adjourned at 10:37 p.m.

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SUPPLY COMMITTEE—2

**ESTIMATES, PROVINCIAL
SECRETARIAT FOR JUSTICE**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, November 17, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

WEDNESDAY, NOVEMBER 17, 1976

The committee met at 10:35 a.m.

ESTIMATES, PROVINCIAL SECRETARIAT FOR JUSTICE (concluded)

On vote 1101, justice policy programme:

Mr. Chairman: I see a quorum. Margaret, you're first on the list.

Mrs. Campbell: Mr. Chairman, I was discussing this ministry and its function. I had given some illustrations of my very deep concern about the whole attitude of justice and I dealt I think with the child abuse situation and others. I'd like now to just give some more examples of my reason for supporting my colleague's position that this ministry's estimates properly should be reduced to \$1.

Mr. Sargent: That the minister be reduced to \$1.

Hon. Mr. MacBeth: That's the whole estimates she's referring to.

Mr. Sargent: I'd rather see you take the cut, John.

Hon. Mr. MacBeth: You can cut it out of this estimate if you want to.

Mr. Chairman: It doesn't make any difference, he doesn't get it anyhow.

Mrs. Campbell: He doesn't get it. He gets it out of Solicitor General. Let me say it's always truly an embarrassment to me to seriously consider this sort of a move, because I recognize that it has in the past been a stance taken and I want to put myself on record in that I'm dealing with this in as solemn a fashion as I can.

I'd like to take a look, for instance, at justice and the family court. I like to remember that Toronto at one time led the entire world in its concept of pre-trial counselling in marital cases, and when this government took over the administration of justice it was found to be too expensive for this government to maintain. So those counsellors who had been trained—and granted they hadn't devel-

oped the expertise that they might have developed by now had they continued; nevertheless they were engaged in the field—those counsellors became adult probation officers. I don't know who made that decision, but I suggest to you that that was not a decision made in the interests of justice.

I look at the fact, and I will hammer it until you change the law, and I'll bore myself and I'll bore you, but I continue to hammer it, that when I came into this Legislature there was very clearly and demonstrably one law for the rich and one law for the poor. It was even more difficult to accept when it was a law pertaining to the child of wealthy parents as against the child of poor parents. I point out to you that I had to hammer and hammer and hammer even to change the practice. I haven't succeeded in changing either the law or the regulations, although, perhaps with the new family law bill before us we can set in concrete a statement that this government finally believes a poor child should have the same rights as a wealthy child.

I refer of course to the abominable practice whereby—and it came to my attention and I've given the example before and I'll continue—a child in my riding who is the child of a poor family in receipt of family benefits sadly lost a leg in a motor vehicle accident. The award was \$7,000, I believe. The ink wasn't dry on the order until a social worker from Community and Social Services pressured the mother to approach the Official Guardian to ensure that there would be a removal from that trust fund of \$6,000. They were going to generously leave \$1,000 for the benefit of that child. The threat used was that if the mother did not take those steps, the family would be cut off family benefits. Well, all right. That was happening right across this province, and it was an indictment in my view—in any view—of justice.

So the practice has been changed. The law and the regulations have not been changed at all. I had no assurances that even today this practice is not continuing. The only assurance I have is that the mother of this child is not being harassed.

So when I look at the function of a Provincial Secretariat of Justice, I want to know what justice is, and what your concept of justice is. Because it transcends all these artificial boundaries of departments, of welfare, of health and of everything else. There is no clear statement from the secretariat that we believe in equal justice for all human beings—men, women, children, black, native peoples, or anyone else.

I feel it is almost sinful for me to participate in voting money for a function which ought to be concerned with that overall concept and which has failed completely, miserably to meet its obligations. Whether it's a half million dollars, or whatever it is, that money ought to be spent in ensuring justice to all of the people of this province.

Mr. Chairman, I could go on with all sorts of other examples. I could talk about the increase in the incidence of suicidal children in our community—it isn't a health matter, it isn't a welfare matter—it's a matter of natural justice that these children should have the protection of our society because the right of a child to be a child ought to be transcendent, and it isn't. Today it is pretty popular for people to rather hold in contempt a liberal. We have seen the jokes and the statements about a liberal. I'd like to quote to you from a little book, an unimportant little book.

[10:45]

Mr. Chairman: Is that a capital L or a small "l"?

Mrs. Campbell: It's both. This is a book written by one Doris French concerning Daniel O'Donoghue, a man who probably isn't very well known to anybody in this room.

Mr. Chairman: May I interpose for just a minute? Dan O'Donoghue's son, whose name was Daniel O'Donoghue, was the man with whom I first went into practice of law and practised law with for at least five years out in Mimico.

Mrs. Campbell: So you knew him.

Mr. Chairman: I knew him extremely well, I was a law student with him.

Mrs. Campbell: The book concerns the father. It's called, "Faith, Sweat and Politics." Daniel O'Donoghue was a liberal in both senses of the word and an early leader in the trade union movement in this country.

Mr. Chairman: He was a proto-socialist, but go ahead.

Mrs. Campbell: There is a quote, which I'm going to vary somewhat to bring it into its modern context. The quote is: "A liberal is a man"—I would like to substitute person—"who believes that humanity is more important than other people's prejudices." I think in the field of justice, and as it pertains to this secretariat, I am very proud to be a liberal in that context.

Mr. Sargent: Applause all around the table.

Mrs. Campbell: In conclusion, until this secretariat indicates its interest in justice and not just in better justice, not just in legalistic principles, but in the whole quality of justice, until our courts become not so much courts of law but courts of justice, I cannot in conscience support funding this secretariat.

Mr. Chairman: Does anyone else wish to speak on this?

Mrs. Campbell: I wondered whether there was a comment perhaps from the minister.

Hon. Mr. MacBeth: If I may make some comments that will be redundant, I would assure Mrs. Campbell that those are the thrusts and the aims of the Justice policy field—the ones she has set out. Regrettably, objectives and achievements are not always the same. Again, it is fine to have principles and policies, but principles and policies are carried into effect or put into effect by individuals. Individuals, regrettably, whether they are ministers, whether they are judges, whether they are police officers or whether they are anybody taking part, the clerks of the court or the custodians of our jails, all are human beings and have their shortcomings. We can have ideals which we want to carry out, but if someone in one of the ministries or one of the government services presses some parent for payment, that is where the fault lies and the unreasonableness of that, rather than with the laws.

I see Mrs. Campbell shaking her head. I know this matter was of concern to her and she should take some credit in getting it rectified in this particular incident. I'm not so sure whether the law should be changed in all cases. Say this was a fairly well-to-do family; say the award had been much higher than it was; maybe under those circumstances there was no reason why the public purse should have to bear the expense.

Mrs. Campbell: Is the minister not aware that in the case of a well-to-do child, first of all, because you haven't even looked at the basis of our award system in the court, the award would, in my submission, in all likelihood be considerably higher? The order would

be made that the parents of the child could use the income earned for the maintenance of the child. There would be no application to pay that money out and there would be no pressure on the parents to have it paid out. That's the point of it. That is the point of it—a social worker could not go and harass that mother if it weren't on the books.

Hon. Mr. MacBeth: That's the point I'm trying to make. I'm not so sure that the laws should be changed in connection with it—it's the application of those laws. Some years ago, when Mrs. Campbell mentioned this to me it was not my ministry—still is not—but in the general sense of Justice policy it was mine. I agreed with what she was saying and as a result the practice has been changed. It's one thing to change the practice and another thing to change the law in connection with it because I think there are some cases where that law might be quite applicable.

This is a matter which again I will be glad to pursue with the Attorney General (Mr. McMurtry) to see whether there should be some minimum provisions provided. I would agree with you that \$7,000 for the loss of a leg—I don't know the details of the case—is a pretty small amount in my mind, certainly looking at it today.

Is that the fault of the administration of justice or is it some error along the line either with the jury or the judge or a lawyer? Whose is it? This is what I say. You can have a concept of justice and our concepts of justice are just as Mrs. Campbell set them out—equal justice for all, rich or poor, regardless of colour or creed.

Sometimes when these policies or ideals get transferred by people, this is where the system runs afoul. We can do everything we can to try to keep these ideals before us and as the policy which those who administer it follow, but that's not always so easy to do.

As you know, as a judge, you could be critical occasionally of some of your fellow judges yet in their mind they may be doing quite the right thing. It is so difficult to transform ideals into action and have that action satisfactory for everybody.

I don't know what more I can say in regard to it. Let me assure Mrs. Campbell again that those are our ideals and we are working toward that in the policy field. The very purpose of the policy field is to try to look at the broader scope and this is where Mrs. Campbell and some of her colleagues are being critical of us because

we have not been more successful to date in doing just this.

Our history at it is not that long and on those few items we have been able to attack and study, we think we have accomplished something. Admittedly, we haven't solved drunkenness in the province. We haven't solved child abuse. We haven't made sure that every judgement handed down by a jury or a judge is absolutely fair in the eyes of every individual. I'm not so sure you'll ever get two individuals to agree what is absolute justice.

The purpose of the ministry is to try to take an overall view and look back and look across the whole works; to look back to see where we've made our mistakes and to look across the whole field to see where we can improve it. I know you're critical of our effectiveness. I say part of the lack of our effectiveness is in the administration of it rather than in the concept. Please leave the Justice policy field with money to carry out the concept because I think this is where we'll get to accomplish those things which you are seeking to have accomplished.

Mrs. Campbell: May I in a final statement—at least I hope it's a final statement—in view of what you presented to us as the work of this field, your interest in warranties, in particular and specific pieces of legislation; your interest in family law, an Act I am going to tell you about has fudged a great deal of the major issues and not taken an overview. When I see what you have suggested to the federal government—and I take it that proposal was developed by this secretariat, was it not?

Hon. Mr. MacBeth: Youth in conflict with the law? Yes.

Mrs. Campbell: Again, I see you have said that you would like to reduce the age from 14 years to 12 years. That's a good step forward. But you see again the federal government is dealing within its own field. It's dealing with the law pertaining to juvenile delinquency which is within their jurisdiction. Surely someone responding for justice must respond equally to the provincial position so far as the care of children under the age of 12 is concerned. That will be your responsibility.

By getting children into courts at the age of seven, because of the absence of anything else in our society, we can demonstrate that we have saved the lives of children, physically as well as morally, mentally and in other areas. There really was no other agency to pick up the child who was constantly in

trouble—not because it was a bad child but because it was a child in need of help, and there was no one else to recognize it. So we answer in terms of justice, in legalistic terms, but we have no thrust in coming to grips with how we are going to deal with a child between the ages of seven and 12 who may well be suicidal and demonstrating this through acting out. I say to you, where is your justice?

Hon. Mr. MacBeth: Mr. Chairman, the paper on our response was prepared and developed by the secretariat but with the input of all the other four ministries. It may not represent the position that Mrs. Campbell would like to see, but this is always the difficulty in justice; various people have various ideas of what is the proper procedure to follow in regard to how justice can be obtained.

That paper was also prepared with the advice and help of the people that Mr. Sinclair mentioned; many agencies were involved. This, in part, was a consensus report as well. While it may not cover the age spans that any one person might agree to, that is what happens when you deal with a paper that has to present a consensus. I wish justice was absolute, it would make it easier to administer, but justice is something that cannot be measured in that it varies from person to person as to what is or is not justice.

Mr. Sinclair, in regard to the preparation of that paper, you may wish to make some further comments. I don't know whether you can add or not.

[11:00]

Mr. Sinclair: I don't think so.

Mrs. Campbell: That is the point, is it? The Attorney General, Solicitor General, Commercial Relations or whatever that is, are out of context with justice. I think, with the greatest respect, Mr. Chairman, that the minister—and I have the highest personal regard for this minister, I recognize the limitations under which he functions—has himself given his own indictment of a secretariat set up for justice. That's why you'll fail in alcoholism. That is why you'll fail in child abuse. That is why you'll fail with our native peoples. Because we have so departmentalized the function of justice as to completely erode either its opportunity or its efficacy.

Mr. Sinclair: I was merely going to elaborate, Mr. Chairman, on the process that was followed in response to the federal government's request that we reply or make sug-

gestions and proposals or counterproposals in regard to the draft legislation they circulated.

The secretariat analysed the draft legislation, made its comments on it in detail, and circulated these to the member ministries.

At two subsequent meetings, as I remember it, in the Justice policy field, these comments were discussed by the Attorney General, the Solicitor General and the Minister of Correctional Services (Mr. J. R. Smith).

Because we felt so many agencies were involved outside just the justice fields—the ones you have mentioned, the welfare agencies who have a very real interest in this—we convened a meeting to which we invited people from the child-caring agencies in the province, people from the juvenile courts, child psychiatrists and so on, in order to get some sounding of how those people saw the bill.

They were the ones who were on the receiving end and our final response was, as the minister has indicated, not very far from our original position, but our original position was modified because of the input of the various agencies who were working in the social field.

I must say, Mr. Chairman, that you are quite right in saying that here you are looking at not only justice from a legal standpoint, but social justice as well. But one of the difficulties, as I mentioned the other day, is that this is a federal statute which has to apply—across the country and the other is that it was unfortunate that while this was being amended, the Canada Assistance Plan was being amended with no apparent liaison between the two.

Now, I am not merely saying that because this happens at another level of government. I think it is something unfortunately that happens in all governments to some degree. And although you may contend that justice is now dissipated through various ministries, my own contention in reply would be that surely that, in itself, is a rationale for having a group, however small, to try and pull these pieces together which is our function.

Mrs. Campbell: Would it not, Mr. Chairman, then have been appropriate—recognizing the legalistic function of that bill—to also advise us, at least us, if not the federal government, of what had to be done, what had to be put in place to ensure justice? I recognize that the federal government expects the provinces, as the minister has already said, to enter into some expenditures of money, to supplement, but there is no such statement

from Justice. There is no such statement from Justice.

If you want to call this the secretariat to have an overview of bills and functions of the various ministries dealing with police, Crown attorneys, courts, jurors, witnesses and the whole panoply of the court system, then call it that. Be honest about it. Don't raise the expectations of people to the point where we believe that we are looking at justice. That's my position. I understand the legalities of the situation, Mr. Chairman, at least I would hope that you would accept that. But justice is not a matter of legalistic phraseology.

Hon. Mr. MacBeth: Mr. Chairman, I cannot accept that justice is not our aim or that justice is not our policy.

Mr. Chairman: You don't hunger and thirst after it.

Hon. Mr. MacBeth: We do hunger and thirst after it. At this point, Mr. Chairman, it's easy to say "justice" with scorn in your voice and suggest that justice does not exist in this province. I think that most of us will agree that our justice system in this province and throughout this country is as reasonable and as good today as you will find anywhere. That's not to say that it can't be improved.

Mr. Chairman: That's the usual malarkey argument.

Hon. Mr. MacBeth: All right, sir, you can refer to it as malarkey—

Mrs. Campbell: It's not the best in the universe.

Hon. Mr. MacBeth: I'm not so sure where you will find justice any better than you will find it in this country. That's not to say that it can't be improved upon, but it certainly is not worthy of scorn.

Mrs. Campbell: Mr. Chairman, I think you were present when the former Chief Justice, I think in addressing himself to a remark of yours, sir, said, "I am not interested in better justice, I am interested in justice." I heartily endorse his statement.

Hon. Mr. MacBeth: Justice in the eye of the speaker, Mr. Chairman.

Mrs. Campbell: I suppose that will always be subjective.

Mr. Sargent: Mr. Chairman, I think in years to come that the submissions on behalf of justice by Margaret Campbell over the years, as found in Hansard, would be great

book material for the simple thing of justice. I commend her for it. She is a former judge, she is knowledgeable and she never lost the thing that we all want, that the common man wants.

What I'm going to say today isn't going to be very popular with this group here because in the search for justice as I have seen it over the years we have in this country a legal fraternity that has our society so locked up. The system is so tight that in many areas legal firms are laughingly referred to as hook shops, and it's being established every day you have dealings with anything you do in your lives—

Mrs. Campbell: That's intriguing.

Mr. Sargent: It is a fact. They are becoming basically—everything we do in our lives we have to pay tribute to the legal fraternity. Whether or not you get justice along the way depends upon the size of your bank account and I get emotional when I think of things I have had to fight over the years.

We have a situation in Owen Sound today in which a lady, a lone lady, the most highly respected lady in our city, is fighting a case against a group of lawyers, high calibre talent. She cannot get her case heard by a judge. In my correspondence with the firm of Harris and Dunlop, in my discussion with them over the past few days, they have told me the only way this lady can get a hearing before the courts is to charge Walter Harris, a former Finance Minister of Canada, and his partner and another law firm with fraud. This lady had to accuse them of fraud to get her case heard by a judge.

She has written to the Attorney General (Mr. McMurtry) and nothing is happening. The Law Society washed their hands of the matter because they don't want to become involved in judging lawyers. I think it's a closed shop.

The situation is this, in brief, without reading the correspondence—my files are three times as big on this lady—this high-class firm of Harris and Dunlop drew up an agreement like this—there's a written agreement—and they asked her to sign it to give \$15,000 to her husband. The facts as she unfolded them to me are that she said, "No, I will not sign that. I don't owe him anything." Half the house rights. He's divorcing her. They are having a divorce.

She states that she took her pen, crossed out the amount of \$15,000 and signed the document. Later on it was changed. The amount of \$15,000 was put back in by pen

by the lawyers and not initialled. It's a clear case in my mind that if she can't get this—well, it is fraud. I have never in my life, in my business, had to sign a document like that which cost me \$15,000.

The change is not initialled. The amount is not initialled. She has to give up her life savings because, in effect, the lawyers say to her jointly "What chance have you got to go before the courts to beat two lawyers before a judge who is a former lawyer?"

What judge is going to convict the lawyers of fraud? They say the judge will take the lawyers' word ahead of hers in spite of the fact that I and everyone who knows her in Owen Sound over the years—she's been a highly respected person. She has a top job in industry. She kept her family together. And she cannot get justice.

Where do we go from here? What do we do? Do I advise her that she should charge a highly regarded man like Walter Harris with fraud? I'm tempted to do it but that's not the way to get justice. She cannot get her case heard by a judge because everything was done—she had to sit outside the courtroom while her case was being heard by the lawyers inside the court. She never got on the stand to tell her story and it's a shocking story.

I don't know if this is the proper place to tell my thoughts on our system. That's only one case. Over the years I know that if you have enough money you can buy justice. Somewhere along the line, the tariff that lawyers charge people today has to be reviewed—by whom? The lawyers are the largest group in our Legislatures. They make the laws for the lawyers and in court you get the justice that the lawyers want you to get, so I don't know where to go from here. [11:15]

Mr. Chairman: You have given this to the Attorney General?

Mr. Sargent: Yes, I have and there has been no reply.

Mr. Chairman: Has he conclusively turned it down or is he investigating it?

Mr. Sargent: At this point, Mr. Chairman, she has to pay into the courts \$15,000 by December 1 and is running out of time. I asked the lawyers if they would hoist the deadline for six months. They said "No, we want our money for the husband."

Mr. Chairman: As chairman, the problem is we would have to know an awful lot and then what will we do with it? We can't make

a judgement here as to why she should be paying \$15,000 to the court.

Mr. Sargent: The whole file is too lengthy to give to you, but the fact is that she and her husband are being divorced. He left her about 10 years ago. He is living with another lady and now they are getting married this next weekend and he demands half the value of the home. She has paid the taxes and kept the home in repair. She has educated the kids and put them through college. The house was worth \$20,000 when he left, now it's worth \$35,000 and he wants his half of the house, and because he has top lawyers he is going to get it. It is simply a case of a lone lady—I would take her word against any lawyer I know, and I say that kindly—

Mrs. Campbell: Not too kindly.

Mr. Sargent: —who cannot get even a hearing before the courts unless I say to her—she wants my advice—"Okay, let's lay a charge of fraud jointly against these two firms." That's the position she's in. I don't know whether or not the minister has any power, or the Attorney General has any power, to say to the lawyers involved, "Let's have a good look at this thing and hoist it six months" and give the lady a chance for, what Margaret's talking about, justice.

Hon. Mr. MacBeth: Mr. Chairman, this exemplifies the very point I was trying to make earlier, that justice is in the eye of the beholder. Mr. Sargent has weighed part of the evidence. I assume he has not heard very much of the husband's side of the story, and he has decided where justice should lie and feels, because it's apparently being difficult for the person in whose favour he has already decided to receive what he thinks would be justice, that we have no justice in the province.

Mr. Sargent: The thing is that if there was an initial on this document that she approved of the money here, but she denies having that figure in there. Here's the document. It's a handwritten document by a top firm like Harris and Dunlop and it's not initialled. She stroked out the figure and they put the figure back in after she left the office.

Hon. Mr. MacBeth: That's a matter of evidence, as anybody will realize.

Mr. Sargent: What do you mean? I don't get your point.

Hon. Mr. MacBeth: Who do you believe? You have decided, as you are entitled to do, whom you intend to believe on the matter.

Mr. Sargent: How can she win?

Hon. Mr. MacBeth: I don't know whether she can win or not, that will have to be up to the court.

Mr. Sargent: They wouldn't give her a hearing.

Hon. Mr. MacBeth: I can't understand when you say the court won't get her a hearing. Certainly our courts are backlogged and that is one of our concerns. We will point to Legal Aid, which we all agree is a good thing, but that is one of the things that has backlogged the courts. I gather from what you said earlier, it may be a problem before the discipline committee of the Law Society. I don't know.

Mr. Sargent: Is there anyone there we could talk to?

Hon. Mr. MacBeth: I gather from what you say that the discipline committee has refused to deal with it for some reason or another. I don't know. All you can do I think is to follow up the matter, press the Attorney General (Mr. McMurtry) for an answer privately and, as you know, your recourse if you are not getting satisfaction that way, you can always raise it on the floor of the House. I know he's a busy man, but I am sure if you press him on it he'll examine it to see whether there's anything he can do. He can't interfere with the decisions of judges, nor should he, but he certainly has some influence to get the case heard.

Mr. Sargent: I want to ask you a question: Have I the right to argue with a judge about a decision?

Hon. Mr. MacBeth: I think once the decision has been made, you can be critical of the judge's decision. I think that's one of your privileges.

Mr. Sargent: Do we have the right as members of the Legislature to question the judge about the way he handles his court?

Mr. Chairman: No higher right than anyone else.

Mr. Sargent: Then we don't have the right.

Hon. Mr. MacBeth: I think we can all question. We have got to be careful that we don't bring the judiciary into contempt but I certainly think we all have the right to disagree with any decision, whether it's the Supreme Court of Canada, the Court of Appeal or—

Mr. Sargent: I've always told my people that I can't approach a judge or anybody. Or can you?

Mr. Chairman: As a member, I am terribly loath to do it.

Hon. Mr. MacBeth: Certainly I am loath to do it. There are times when I think it would be a proper position for me to take to ask a judge something, but again there is the matter of justice. There can be nothing wrong with it at all, but if you or I as politicians—and particularly myself, being a member of the government—speak to a judge, the public for some reason have an idea that some injustice is taking part, that I am influencing them away from the open view of the public. For that reason, we become very leery about talking to judges, but there are occasions when it's quite proper.

Mr. Sargent: I want her case to be heard. That's all I want.

Hon. Mr. MacBeth: I certainly think the Attorney General has the power to find out where this case stands on the list and whose move is next, whether it's the lawyer's move or whether the opposition is doing something to hold it up. Certainly the Attorney General has the power to find out the status of the case.

Mr. Sargent: One last thing in the area of justice: I know a bright young man who has been acting as a lawyer for the last six or seven years. When he was graduating from high school, he tore up his commencement address and walked off the stage. He went to law school and got average marks. He is a brilliant young guy in every way. He has been running a law firm for about seven years, very successfully, for a partner who wasn't too well. The problem is, he cannot get to Osgoode and they won't let him in. I have taken the case up with Arthur Maloney and he can't break the barriers.

This young man, whose name is Peter Hillyer, is working as a silent partner with the law firm of Forsythe in Southampton and he's one of the most able lawyers in the area but no one knows what the hell is going on. That is not justice, because he would be a great lawyer, I think, if he could get his shingle. What happens there? Who do we talk to?

Hon. Mr. MacBeth: Again, that's under the Ministry of Colleges and Universities. Each of the universities has its own admission standards, and while I am sure the minister can write letters and talk to these people,

he doesn't want to adopt the position that he is going to tell any of these colleges and institutions that they must take so and so in or keep them out. That's not the position he takes. You have heard various discussions as to how many foreign students should be admitted and how many native Ontario students—

Mr. Sargent: Does he control Osgoode?

Hon. Mr. MacBeth: It is under his ministry, but he doesn't control Osgoode. York University runs its own—

Mrs. Campbell: It takes a bigger man than he is—

Mr. Chairman: Nobody controls them.

Mr. Sargent: What's going on then?

Hon. Mr. MacBeth: Only that we set up these boards to administer it; and again, when you speak of justice, I don't think you would want the Minister of Colleges and Universities (Mr. Parrott) to be able to say, "Take in so and so."

Mr. Sargent: I didn't bring that up. You brought that up.

Hon. Mr. MacBeth: But you are saying here is an able young man, working in a law firm in some capacity or another, who would like to be a lawyer and he can't get into any of the recognized law schools in the province so he can qualify. Many young people, regrettably, are in that position. I suppose the answer is more law schools, and yet that's not necessarily the answer as far as medicine is concerned. I don't know whether we need more doctors.

Mr. Sargent: There's a file on him—and he can't get in; that's all.

Hon. Mr. MacBeth: Surely, it's because there are many people who qualify with higher standards than his?

Mr. Sargent: The Ombudsman said it was the most unfair thing he's ever heard in his life. He can't break the barrier.

Hon. Mr. MacBeth: I'm sure I don't know what the barrier is. Has the Ombudsman set that out in writing?

Mr. Sargent: Yes. He said he was going to keep plugging to get it. It's been two years now or a year and a half.

Hon. Mr. MacBeth: I have some good friends of mine whose sons and daughters would like to practise law but they don't

come up to the qualifications. It's a regrettable sort of thing but they're brilliant and able people.

Mr. Sargent: He's running a law office now, this guy, so why is he not in a law school?

Hon. Mr. MacBeth: He's not—

Mrs. Campbell: He could be a law clerk.

Hon. Mr. MacBeth: All I can suggest to you is to take the Ombudsman's opinion and put it before the Minister of Colleges and Universities and see what he can do with it.

Mr. Sargent: What do you do with it? What justice are you serving here in your policy?

Mrs. Campbell: Again, handing it over to another minister.

Hon. Mr. MacBeth: Do you want me to take on an Ombudsman's role and examine this case and say, "In my opinion, as Minister of Justice, it is unjust"?

Mr. Sargent: What do you do then? What do you do in this area? What are you paid for?

Mrs. Campbell: He's not paid in this area.

Hon. Mr. MacBeth: There are a lot of people who wonder what I'm paid for, including my wife.

Mr. Sargent: Who's your parliamentary assistant to whom you pay \$5,000?

Hon. Mr. MacBeth: I don't have a parliamentary assistant. That was in last year's budget; it's not in this year's.

Mr. Sargent: I see.

Hon. Mr. MacBeth: You'll find our estimates for this year on the left hand side. Mr. Sinclair's my deputy.

Mr. Sargent: In the area of justice, why don't you make it a law that constables wear name plates on their jackets?

Hon. Mr. MacBeth: I suppose that's possible. Again, there are pros and cons to it. You've decided what is justice in this matter and that this is a good thing. In the Metropolitan Toronto force they have numbers and they wear them on their caps. This is one of the things we talked about the other day. Some of the officers aren't happy at the present time about wearing their caps. I'm not so sure that nameplates are always the most desirable thing. It's a matter—

Mr. Sargent: You're against it?

Hon. Mr. MacBeth: No, it's a matter I haven't given any thought to.

Mr. Sargent: Well, give us an opinion on it.

Hon. Mr. MacBeth: My off the handcuff—the cuff—

Mrs. Campbell: Off the handcuff? That's Freudian, isn't it?

Hon. Mr. MacBeth: —opinion would be that I don't think it would be the best thing. I think a number to identify them certainly should be shown. I haven't given any thought to wearing a nameplate as such. It's not a bad idea. I shall certainly consider it but again there are pros and cons.

Mrs. Campbell: They do it in a lot of jurisdictions.

Hon. Mr. MacBeth: I know they use it in the forces, a lot of the forces.

Mr. Sargent: If a man has the right to put you behind bars shouldn't you know who is doing it?

Hon. Mr. MacBeth: Yes, you do that by the number.

Mr. Sargent: Yes, I know that.

Hon. Mr. MacBeth: It's certainly a good position. I'm not saying it's wrong, Mr. Sargent. It hasn't been an issue which has come before us but it is certainly something I shall be glad to give some thought to and have some discussion on.

Mr. Sargent: Thank you.

Mr. Chairman: I'm next on my own list. I want to run over three things very rapidly.

By the way, Mr. Deputy, what time do you have to leave?

Mr. Sinclair: I don't have to leave today; it's tomorrow I have to leave—

Mr. Chairman: It's tomorrow. I see.

Mr. Sinclair: —in the event that things go over until tomorrow.

Mr. Chairman: No. 1, if this ministry has any raison d'être, any reason for existing at all, it seems to me it has to have a very wide and fairly high view of the whole justice apparatus—

Mr. Sargent: And powers.

Mr. Chairman: —and powers. I haven't heard it and I'm terribly interested. It seems to me that if I were the minister of this par-

ticular area I would want a picture, a rationalization, of the whole flow process from the time of the arrest, the terms and the conditions, how arrests are made, the role of the police over here, the flow through and into the courts, determining the reasons for the backlogs, the enormous injustice being inflicted upon individuals because of the condition of the courts, over to the overflow of, in my opinion, a very substantial number of people who are unnecessarily sitting in jails all over the province. Many of them are innocent and even if they're not, they shouldn't be in jails at all. Jail is not doing them a damn bit of good; it's costing society infinite sums of money and will serve as educational institutions for the criminal mind, we all know that. What I want to know just very briefly on this particular heading is, it's all over in every area, the thing is in a state of disarray, log jams, disorientation, it's a real mess from beginning to end.

[11:30]

As each ministry comes before us they talk about diversion here, etc., here, parole systems or probation systems, everything piecemeal; there's no great comprehensive view of what's going on, no real direction throughout, no seeing the system as a whole. Now, if you have any reason for being around here at all, that would be one of the prime things that you'd be engaged in doing. Are you doing it?

Hon. Mr. MacBeth: Yes, sir, we're trying to do it and that is one of our functions.

Mr. Chairman: Well, tell me how.

Hon. Mr. MacBeth: Well, what causes the problem? We admit that there's a backlog in our courts and the Attorney General has had—

Mr. Chairman: It's not just Legal Aid.

Hon. Mr. MacBeth: Well, it's a fair portion of it, I don't think this backlog existed—some of the fault, with all due respect to the point Mr. Sargent has made, is partly due to the legal profession. They are not prepared to go ahead with cases when they are called, and our jails have many people in them who would not be there if the cases were proceeded with. The jail in Ottawa is one of those examples where there are people there week after week coming forward for remands. Part of that is lack of judiciary, I suppose, part of it is lack of courtroom facilities, but we see these things and we're trying to rectify them.

As I say, the Attorney General has a proposal to do this.

Now, some of the complaint may be that we've taken on more police as we did about two years ago in the various municipal and provincial forces, increased the police and as a result those police have caused more arrests, more charges, and I'm thinking not so much in the criminal field, but in other fields, that are backlogging the courts. So one solution might be if we didn't have quite so many police, we might not have so many charges. Which comes first?

We are trying to take this overall view. Our immediate attempt is to enlarge the Correctional Services staff and facilities and to provide greater court accommodation. But you know you don't do some of these things overnight and this backlog seems to have developed mainly in the past few years from Legal Aid.

Mrs. Campbell: It's taken three or four years, not overnight.

Mr. Sargent: Why did you give a \$41 million courthouse to Mrs.—what's her name? In town here, one of the ministers here? Mrs. Scrivener? She got a \$41 million courthouse here in Toronto.

Hon. Mr. MacBeth: Well, they're trying to build courthouses in Scarborough, I believe, at the present time and that is one of the places where we—

Mr. Sargent: The fact that she was on the ministry wouldn't help that, I guess?

Hon. Mr. MacBeth: —are trying to build accommodation, we're trying to decentralize—

Mrs. Campbell: That's justice.

Hon. Mr. MacBeth: —the court facilities in the Metropolitan Toronto area.

Interjection.

Hon. Mr. MacBeth: One of the first places to do it is in the suburban areas. I know my own municipality of Etobicoke, and I'm sure the chairman will support this, is in need of court facilities. Now \$41 million—I don't know whether that's the right figure or not—I know the figure to build these courthouses is high and that's one of the points that I've tried to make. Judges are awfully demanding in what they feel is necessary.

Interjections.

Hon. Mr. MacBeth: I suggested that we could use more school facilities and there's

one working out in Etobicoke quite well, as, again the chairman knows, in a school facility. I think we could use them.

Mr. Chairman: We were both there the other night.

Hon. Mr. MacBeth: It doesn't keep the judiciary very happy, though. They feel that they need certain—

Mr. Sargent: Prestige.

Hon. Mr. MacBeth: Well, that's right, and not without some reason. So \$41 million—and I'm not saying that's the correct figure—I don't know. It sounds like a lot of money but we want to build a long-lasting substantial courthouse in Scarborough.

Mr. Sargent: That's what it said in the papers—that wouldn't be the right figure.

Hon. Mr. MacBeth: This takes time to do but plans for it are being proceeded with.

Mr. Lawlor, I know that's not a very satisfactory answer for you.

Mr. Chairman: It's hopeless.

Hon. Mr. MacBeth: I won't agree it's completely hopeless.

Mr. Chairman: There are two points of view. There's the snail's-eye point of view—that's the one possessed by the justice policy field—and there's the eagle's-eye point of view which I am commending to you.

Hon. Mr. MacBeth: All right.

Mr. Chairman: Why don't you draw up a comprehensive flow sheet? Why don't you draw up a documentation taking the whole thing, not getting into the nitty-gritty, not seeking to attribute blame, but just getting the whole picture, and then present both to yourselves and to us? Then we can get down to hard work with respect to this ministry.

Mr. Sargent: Somebody should run the store.

Hon. Mr. MacBeth: I will agree in parts with what you're saying but I won't agree that our system is a real mess. I agree that the suggestion you have made is a good one. We are doing that but not perhaps as quickly as we should be doing it.

Mr. Sargent: Mr. Chairman, can I say something?

Mr. Chairman: Certainly.

Mr. Sargent: I've never once heard a minister say, "That's a hell of a good idea." You guys never admit that anybody could be right. You defend the system all the time.

Mr. Shore: The Minister of Energy (Mr. Timbrell) said last night that something was a good idea.

An hon. member: It was one of our ideas.

Mr. Shore: Mr. Burr made a suggestion and the minister said it was a hell of a good idea.

Hon. Mr. MacBeth: I thought I just said that to the chairman without the expletive.

Mr. Sargent: I wouldn't have much faith in what Mr. Timbrell says anyway. If he said it was a good idea, it was probably a bad idea.

Hon. Mr. MacBeth: Mr. Lawlor, would you be happier if I said to you that was a hell of a good idea?

Mr. Chairman: Yes, thank you.

Hon. Mr. MacBeth: Well, it is.

Mr. Chairman: It would be unction on Mr. Sargent's wounds. I want to talk about another thing just for a moment. I think it is your ministry because it's the policy field and because it's an area that affects all areas of this policy field and a much wider field besides. It affects alcoholism, which we talked about the other day, and arson. I think your field should make some study of insanity. That is what applies in this area.

May I recommend something? A guy by the name of Fingarette, who is mostly a sociologist in southern California but has done some work in the political field, has written extensively on new concepts of insanity as applied to the courts. As you know, our definition of insanity is hopelessly out of date, the definition being the M'Naghten rule, which says that as long as the person knows the nature and quality of his act, that's enough. That's it.

Hon. Mr. MacBeth: I never did understand the M'Naghten rule.

Mrs. Campbell: Mr. Chairman, I don't like to quarrel with another lawyer.

Hon. Mr. MacBeth: I'm not so sure the chairman understands it completely either. It's a difficult rule.

Mrs. Campbell: "The nature and consequences," I think, is the terminology used, is it not?

Mr. Chairman: "Nature and quality," I thought. We'll check with M'Naghten. Suppose I concede the nature, quality and consequences of their act?

Mrs. Campbell: All right, I'll buy that.

Mr. Chairman: If you do that, then no matter what else is operating, many people can't control their acts. What I want to say in this regard is that with respect to police training, and with respect to the address to the citizen, because the citizen in our society is in many ways deeply disturbed, suffering from future shock, past shock and various other forms of shock, that has to be surveyed there. With respect to the courts and the operations there, as to the revisions of the rules, more properly it is a job of the Attorney General, but you have the overseership. The same rule and the same approach and the same insights are going to have to apply throughout.

Thirdly, in your institutions, when you have all these people incarcerated, what are the modern concepts of insanity as segregating one type of imprisoned person from another type? It's all very crude. Some people are in institutions for the criminally insane when they ought to be in other types of institutions entirely. Again, that is a mixed-up mess.

Mr. Sargent: And separation of sex offenders.

Mr. Chairman: They do a bit of that, yes, at Millbrook, the provincial thing. In other words, what I'm saying is, if you want to get into the thing, then let's at least have some policy statements and some thinking with respect to the field of insanity and all its variegated states. That has not been done. It has not been done by any particular ministry; therefore, it falls as a residue into your lap.

The final thing I want to mention is native rights. I would like to see and never have seen—I want the policy field here to give, both to yourselves and to the Legislature, something on treaty rights. What are the ranges of treaty rights? If I had a parliamentary assistant or somebody, I would send them out to start doing research work but that is a vast field. With the Treaty 9 Indians at the present time the matter is becoming more and more critical throughout the country and the province.

Mr. Sargent: It is a time bomb.

Mr. Chairman: Yes, it is a time bomb ticking away at the present time. Really, how much are we clued in? With the load of work

we have to do around here we can't be expected to go off to the library and spend the next six months on it. You are the policy field—why don't you draw up a paper and submit it to us? Make a study but make it short and make it clear. Don't go on and on padding it and making it look good for personal prestige or something—just the bare bones. Let's have it. Give it to us so we will all have it in the House.

Mr. Sargent: So even I could understand it.

Mr. Chairman: So even Mr. Sargent could understand it. Now if you can do that—that is not too difficult.

Mrs. Campbell: He understands more than he says.

Mr. Chairman: It's a funny thing—he understands what he wants to understand and doesn't when he doesn't. Those are the three fields in which I would make some recommendations to you on these particular estimates.

Hon. Mr. MacBeth: Let me say, Mr. Chairman, those are good suggestions. There are any number of fields we can get into. You have touched on three which are important fields and of particular interest to you. I have whispered here to Mr. Sinclair and he agrees that those are good fields and let's do it.

Mrs. Campbell: Can I have one more word on this to support my colleague who is so critical of the legal profession? As a lawyer I sometimes worry about us.

I haven't seen any great thrust from the lawyers themselves to reform and I think that is sad. There is one thing I don't understand and this is a simple case, perhaps, and one in which you could give a statement without too many rules of evidence. In a family court, if a lawyer should appear and prefer to take some time in jail under contempt, rather than honour the order; when there is an appeal to the Law Society of Upper Canada, why would that contempt not be conduct unbecoming a professional person? It isn't. Would that be perhaps a major area which the secretariat, with half a million dollars, could investigate?

Hon. Mr. MacBeth: Certainly it could, Mrs. Campbell. It would be within our field to do it if we saw fit. I think maybe some of the items which Mr. Lawlor has raised would have priority in my mind.

Mrs. Campbell: I would agree except that I want to see something.

Hon. Mr. MacBeth: Something happen? As I say, so often with the Law Society, as far as disciplinary action is concerned, the view they take is it has to do with tampering of the books and that sort of thing. Apart from that, they don't cover a very broad field. I agree with you; I think they should be looking more for professional excellence and that type of thing. Again, that becomes a pretty hard quality to judge, or a pretty hard factor to judge, whether a lawyer is or is not competent. But you are thinking of other kinds of misconduct?

Mrs. Campbell: I wasn't suggesting a lack of competency but rather, probably in the eyes of a lot of people, a great competency in avoiding the honouring of an order of the court.

[11:45]

Hon. Mr. MacBeth: Right.

Mr. Sargent: Mr. Chairman, I mentioned some time ago about the tariff system that the lawyers across this province are charging under. In view of the fact that the tariffs were set up many years ago and they are still in force, I guess they are even upgrading them as you wanted to. With inflation, now the lawyers are making more money than ever. We regulate transportation and telephone charges and prices across the board in many commodities, but the most important commodity that deals with everybody's life somewhere along the line is legal fees. Why don't you have a review of the money lawyers are making? Just by signing a document they can make untold amounts of money because of the fact that they've got a shingle and they can charge that tariff. Performance is not the yardstick at all, it's just the fact they have the right to charge a percentage of a big deal and do nothing at all to warrant that money.

Mrs. Campbell: Oh, nothing at all?

Mr. Sargent: In many cases I've seen them sign a document that I have taken in to them and because there is a lot of money, a big mortgage involved, they got their fee. I arranged the mortgaging, the funds, and they took fantastic amounts of money for no performance whatsoever, because the principals involved wanted to go through a legal firm. I think somewhere along the line, on behalf of eight million people, we should have a look at the tariffs this closed-shop fraternity has. The term "hook shops" is becoming more prevalent every day, because they are legalized hook shops and I don't make any bones about that.

Mr. Shore: You have lost the medical profession and now you've lost the legal one.

Mr. Sargent: What are we here for, to tell the truth or go along with the system, the establishment? Having said that, I know you'll do nothing about it. It's like asking a Republican to buy some peanuts.

Hon. Mr. MacBeth: Eddie, I like peanuts. I'm not a Republican, though you might think I'm close to it, but I like peanuts.

Mr. Kennedy: Could I have a small—

Mr. Sargent: I'm not finished, I just want to finish while I'm on the floor and then I'll give up. Sorry?

Mr. Kennedy: I had a small supplementary on that.

Mr. Sargent: On this? Okay.

Mr. Kennedy: I had a letter from a solicitor whose account is being sent to the taxing office and he makes the statement, "Although the minimum legal tariff allows a solicitor a fee of five per cent" for negotiating the various transactions, etc. Would he really mean the minimum or is there a mistake in his letter? I thought there are maximum fees, is that not correct?

Hon. Mr. MacBeth: Generally it is the various law associations across the province that suggest what the tariff should be, and they will suggest to you that there is some impropriety in departing from those tariffs. A good number of lawyers in the province do depart from tariffs and it's a place where the free enterprise system operates. The Law Society would have some qualms and some reprimand for you if you were doing it to an exaggerated extent, but really the Law Society doesn't reprimand people for not following any given tariff.

These tariffs are generally recommended by the various associations. There's a County of York Law Association that still operates in this area and it would have suggested fees. It would state the minimum for such and such a transaction, then, depending on the difficulties above that, it might be increased. Many lawyers don't charge even the minimum suggested fees. All of these fees are subject to review by a taxing officer at Osgoode Hall or elsewhere throughout the province, and anyone who thinks he has been overcharged by a lawyer can take that account before a taxing officer and have it reviewed.

In the eyes of many people, that review by the taxing officer is probably too generous,

but in the eyes of relative worth of the lawyer's service I'm not so sure it is. There again, you've got a judgement in which justice again depends on the person who is paying the bill, receiving the bill. But there are ways of having the bills reviewed by somebody who is supposed to know what is reasonable and fair.

Mr. Kennedy: In essence the tariffs as set out are really guidelines.

Hon. Mr. MacBeth: That's all they are. I would look to the chairman for co-operation or deference.

Mr. Chairman: Margaret would nod her head and so do I.

Mr. Kennedy: Perhaps that's a little misunderstood by the public who think it's fixed, but it would behave a client, as best he can, to determine, to ask a solicitor what he's going to charge or what the fees might be.

Hon. Mr. MacBeth: That's a good thing that most should do. Most people are afraid to ask a lawyer what he's going to charge.

Mr. Kennedy: That's right.

Hon. Mr. MacBeth: But far better you should know in advance rather than afterwards.

Mr. Kennedy: People are a little embarrassed to ask, I think. It's sort of like asking a doctor, what'll this cost?

Hon. Mr. MacBeth: But it's not an unreasonable thing to do, particularly in something like a real estate deal or a mortgage transaction or drawing a will. It's hard to tell that, other than on a time basis in a lawsuit, because you don't know, of course, how long the lawsuit will go on or what all will be involved with it. But he can certainly give you an idea what he charges per hour and you can expect him to keep track of his time that way.

Mr. Kennedy: A client shouldn't be embarrassed to shop around a bit.

Hon. Mr. MacBeth: No. And, amazingly, a good number of clients do just that.

Mr. Sargent: Has your department ever done anything about educating people in their rights? Number one, in the fact that they can tax a bill. I don't know that. Are there taxing officers in my riding, my area?

Hon. Mr. MacBeth: Sure. The local master of the court—

Mr. Sargent: Well, how does the average person know that?

Hon. Mr. MacBeth: Well, I'm not so sure they would know it.

Mr. Sargent: Would you consider doing educational advertising across the province to show people their rights with regard to the legal fraternity?

Hon. Mr. MacBeth: Well, that is probably only one field in which we should be doing some education. The other day we suggested some fields in which we were planning education. We'll certainly take that under advisement. But again, I don't know how high a priority that is.

Mr. Sargent: You're probably talking about hundreds of millions of dollars a year that people are paying out to lawyers. In the settling of estates, do you talk about the minimum? If a widow has a sizable estate, she's not knowledgeable about tariffs or whatever, and sure as hell a lawyer is not going to charge her the minimum. He's going to get his full pound of flesh when no one knows what's going on in handling the settling of an estate.

Hon. Mr. MacBeth: With all due respect, I don't think all lawyers operate on that basis.

Mr. Sargent: I'm the devil's advocate here. I'm saying these things—knowing lawyers, I think they—

Mrs. Campbell: You are using shock treatment, which is a very good tactic.

Mr. Sargent: It works. I mean the lawyers are doing this in Ontario and we all know it. A lot of lawyers are in this Legislature and they write the laws to suit themselves—not for the public, but for the legal fraternity.

Mr. Chairman: But you are here to keep us honest.

Mr. Sargent: Well, I would have liked to have been a lawyer but I couldn't ever afford it.

Mr. Chairman: Thank heavens you're not.

Mr. Sargent: It's the easiest way in the world. They are really the greatest hook shops in the world, these lawyers are.

Mrs. Campbell: Mr. Chairman, as an aside if I may, it's too bad that my colleague never met a taxing officer who, in the words of the late George Walsh, didn't review the matter, he court-martialled it. Do you recall that?

Mr. Kennedy: Let's have him appear.

Mr. Sargent: One final thing. Mr. Chairman, there was a fellow a couple of weeks ago who was a sex offender and was murdered. He knew he was going to be killed. He was murdered by an inmate because he was a sex offender.

Now, one of my constituents was mixed up in a sordid affair a year ago and he was held in Don Jail awaiting trial for seven months. His life was threatened, and he elected to stay in solitary for 6½ months. I visited him and he was in solitary because there was no place he could be protected. I think somewhere along the line we should have an institution, I'm not selling any bill of goods for these guys who are sex offenders, but they are citizens and I think there should be some way they can be protected from murder in the institutions.

Hon. Mr. MacBeth: Nobody will disagree with that. People should not be incarcerated and risk their lives while they are in the custody of the state. I imagine that was a federal institution you were referring to—

Mr. Sargent: The Don Jail.

Hon. Mr. MacBeth: Oh well, that's provincial.

Mr. Sinclair: Do you mean he was murdered there?

Mr. Sargent: No. I went down to visit this chap several times. He was held there for seven months awaiting trial but he elected to stay in solitary because, when he had to go to the doctor once, three guys jumped him and almost put him back in the hospital. I don't know where he is now. But I know that one federal guy was killed a couple of weeks ago—

Mr. Sinclair: Yes.

Mr. Sargent: You saw that?

Mr. Sinclair: Yes.

Mr. Sargent: He knew he was going to get it. What do you do when you're in jail but you know you're going to get killed anyway?

Hon. Mr. MacBeth: As you know, there has been a viewpoint—and it's not held by a good number of people—that the jails should be more open, that there should be more community life in the jails and not so much behind bars. But there are some cases where you need the segregation you're talking about, and our jails should have facilities for that

sort of thing. I think that is being considered by the Ministry of Correctional Services.

Mr. Sinclair: If I may speak to this in regard to the federal government, they have had and are always going to have a much larger problem than the province because they are dealing with the very worst of these offenders. But I do know that as soon as they can find a site, the federal government are going to build an institution specifically for those people who need this kind of protection.

Within the province, as has been stated, there is provision at two of the institutions for the people in this category, but the problem that we meet is the problem you mentioned. At the jail level, until a few years ago a man normally was only held for about two weeks before a disposition was made and he was shipped off somewhere else, because the jail was never designed for anything other than the short-term custody of an offender. Now, with the backlog that we have, this is the kind of problem that we face; people are being kept in those institutions for much longer periods than they were ever designed for and it is very difficult for jail staff to avoid the kind of situation that you have just mentioned.

Mr. Sargent: So you're contemplating something similar at the provincial level?

Mr. Sinclair: At the provincial level, I think the answer is rather in the area that the Chairman mentioned earlier; that is, if you can speed up the process within the jail so that the man is not held in the jail on remand week after week after week, then you won't get the kind of problem you have mentioned here or you'll minimize it to a very large degree.

Mr. Sargent: When he is sentenced, he still faces that stigma. What happens to him then?

Mr. Sinclair: Within the provincial system, when he's sentenced to less than two years and has to stay within the provincial system, if he is the kind of offender I think you are referring to, he would go to Millbrook where there is a special section for that kind of offender. If his sentence was more than two years, he would go to the federal system, but there they do face the problem of not having an institution specifically for this type of offender.

Mr. Sargent: Thank you.

Mr. Chairman: Mr. McCague?

Mr. McCague: Is there any obligation on a solicitor to post the tariffs?

Hon. Mr. MacBeth: Not that I know of.

Mr. McCague: It seems to me I've seen them. Are you aware of any local associations that make it a requirement?

Hon. Mr. MacBeth: No, and I don't think any local association could make it a requirement. Whether or not you belong to a local association is like membership in anything else; you have to be a member of the Law Society of Upper Canada to practise law in Ontario, but whether or not you belong to your local association is purely up to yourself.

Each of the local associations has a recommended tariff, and they vary from area to area in the province. You might well ask if there is any reason for that—and it is not always the cities that have the highest recommended tariffs. In any event, some of the local law associations may suggest that they should be posted, I don't know; but certainly they couldn't force them to be posted.

Mr. McCague: I've seen them posted and I think it's a good idea.

Hon. Mr. MacBeth: In my time, when I was practising law, there were many lawyers in Metropolitan Toronto who didn't charge the recommended tariff. I'm sure there are many today who don't charge the recommended tariffs. And they are not doing anything improper by not charging tariffs.

Mr. Sargent: Are they on a fee system?

Mr. McCague: Lawyers are still normal people, and there's bound to be the odd bad apple.

Hon. Mr. MacBeth: I'm not suggesting they are bad apples if they don't charge tariffs.

Mr. Kennedy: Do you suggest they are normal?

Mrs. Campbell: I think somebody has got to do something about our reputation. We've got to clean up our act, I guess is what he is saying.

Mr. McCague: You'll have to speak to your partner beside you.

Mr. Sargent: If Mr. McCague had one bank account with all the money he has paid lawyers over the years, he'd be a wealthy guy. He is just paying tribute to a union, that's all.

Mr. Chairman: Look at all the money they've made, though.

Vote 1101 agreed to.

Mr. Chairman: This winds up the estimates of the Justice policy programme.

Mr. Sargent: Did you drop his salary to \$1?

Mr. Chairman: He doesn't get any salary.

Hon. Mr. MacBeth: That's why I asked some of my colleagues to be here; I was really afraid of Mr. Sargent.

Thank you very much, Mr. Chairman; I would also like to say thanks to all the members and special thanks to the clerk.

The committee adjourned at 12 p.m.

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SUPPLY COMMITTEE—1

**ESTIMATES, MINISTRY OF
ENERGY**

OFFICIAL REPORT — DAILY EDITION
Third Session of the 30th Parliament

Wednesday, November 17, 1976

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

WEDNESDAY, NOVEMBER 17, 1976

The committee resumed at 2:10 p.m.

ESTIMATES, MINISTRY OF ENERGY (continued)

On vote 1802, energy policy programme:

Mr. Sargent: Mr. Chairman, I guess the subject matter is one of the largest utilities in the whole free world. The budget is about one-third the size of the budget of the province of Ontario and last year it lost \$36 million. This year you probably—I'm guessing—will lose about \$76 million. A few years ago, a couple of years ago, I recall that thousands of the people in this largest of all corporations walked off the job. I don't know how long the period was but maybe for two months the total empire was operated by a handful of people. Backed up by editorials in the press, it was proof positive that this is the grossest overstaffed empire in North America.

Hon. Mr. Timbrell: Could I see those editorials you have?

Mr. Sargent: That was at the time. My memory recalls that there was a lot of support along the line that you were overloading the people to death with staff. I guess the evidence is that during the period when no one was really running the store, there were no breakdowns. Everything went along at a very high percentage of efficiency. I don't know how much cutback you've done since then—I don't suggest you've cut back in any way at all.

As a taxpayer, I view with alarm the fact that you interpret the right you have—at least we've made some progress. We have energy now under the control of the Legislature. Some time ago it was under the control only of Hydro. I still feel that all the work we have in royal commissions, the Porter commission and all this on Hydro, is all for naught. Anything these commissions do, all the fine people we have on these commissions who work hundreds of hours and research and do everything to do a meaningful job,

all their work is for naught unless it's government policy.

There's no way on this earth that submissions of 36 or 40 or 41 points will be adopted, or any part of them will be adopted, unless it's government policy to do so. Why are we kidding the people? It's a make-work project and we don't need any more of that unless we can have some meaningful results from their submissions. In the end you only activate what you feel is expeditious or good for government.

[2:15]

We have seen you put \$100 million toward the operation of Syncrude, a gesture just to establish the fact that you were concerned about future supplies of energy—\$100 million. This year, because the bond market has been cut back and they won't give you the money for the expansion programme, you are going to try and get \$500 million from the users in hydro increases to pay for your junket on nuclear power.

I know it must be very boring and demeaning for you to have us sitting back here and taking shots at you, but the fact is it is a self-inflicted wound. You wanted the job and you have the right to open the treasury of \$3.5 billion of our money on a giveaway programme to the establishment insofar as making this nuclear plan work. That's \$3.5 billion that you are going to expend on friends of the government.

Hon. Mr. Timbrell: Who are they?

Mr. Sargent: To the establishment.

Hon. Mr. Timbrell: Could I have the names?

Mr. Sargent: Just look up your accounts payable and you will find who you are selling your stuff to.

Hon. Mr. Timbrell: I see.

Mr. Sargent: On top of that we have—I just heard about this—an interest factor in the budget of \$4 million for the new head office building. That's just the interest on the new

\$41 million for Moog and Davis; Moog and Davis Hotel they call it.

An interesting observation here is that if the study of the select committee on this project were to be put into a movie you could call it "Watergate is Peanuts Compared to Hydrogate." Here we have, in the whole scenario, the Premier (Mr. Davis) going to Switzerland with Moog to raise funds. The Premier is very discreet; he stays at one end of the hall and doesn't want to hear what they are talking about at the top end of the hall, but the end result is that they get the American funds.

Hon. Mr. Timbrell: I'm sorry, which funds?

Mr. Sargent: The Swiss funds. I don't know. German funds? It doesn't matter.

Mr. Chairman: You said American funds.

Mr. Sargent: Did I say American?

Mr. Mancini: The chairman is supposed to be neutral.

Mr. Sargent: I am trying to be as kind as I can to the minister, because he had no part in this, but I want to say that the villain in this whole piece is the fact that the select committee was a whitewash, because in analysing the whole deal a firm named Ellis-Don, after much effort finally got hold of the specs on this project—and this is factual—got the specs that Moog was working on and their people worked it out that he would make about \$50 million on the project if they got the deal, bidding on his bid. He finally took it to Price Waterhouse and had them check it out and they verified the fact that he would make a \$50 million profit. But they asked what the hell was going on; the deal Moog got will make him \$100 million over a 30-year period.

This is a fact. The deal is not finalized; we don't know where we stand with this building. Then there are the things that didn't come out—that Mr. Moog did not have to pay for partitioning, for furniture and for many things that no one else knew about that were not in the specs. So we have this big grab bag of political interference. Macaulay says that—or Mr. Rogers I guess it was; Donald Rogers, Energy Board counsel, wasn't he, adviser to the board?

Hon. Mr. Timbrell: I am not sure what case you are referring to. He has acted as counsel for the Energy Board at times.

Mr. Sargent: He said that Hydro cannot be regulated in this ad hoc manner by a govern-

ment seeking re-election, by political interference. Here we have the corporation that was owned by the people—

Hon. Mr. Timbrell: Excuse me, can you give me the date of that reference to Mr. Rogers? I think it might be in a different context. Do you have the date?

Mr. Sargent: I can find it in my file. I don't have many research people on my staff. I will get the date for you.

Hon. Mr. Timbrell: I assumed since you had the quote that you had the date.

Mr. Sargent: Is that important?

Hon. Mr. Timbrell: It is. I would like to know the context, you see.

Mr. Sargent: Okay. Mr. Rogers said further that Hydro's out of control. He said that Hydro cannot—

Hon. Mr. Timbrell: When did Mr. Rogers say that?

Mr. Sargent: In the same report.

Hon. Mr. Timbrell: We could maybe check the transcripts of the Energy—

Mr. Sargent: He said that Pickering was a disaster.

Hon. Mr. Timbrell: When did he say that?

Mr. Sargent: The same date.

Hon. Mr. Timbrell: With respect, I don't recall Mr. Rogers ever making statements like that.

Mr. Sargent: Maybe before the afternoon is over, I will give you the article and you can check it out for yourself.

Hon. Mr. Timbrell: When I see the date, we can check the record.

Mr. Sargent: If you don't know these things, you should know them.

Hon. Mr. Timbrell: I think perhaps some of the quotes are either wrong or—

Mr. Sargent: Every time you are criticized—I said this this morning—I have been sitting for 14 years in this place and never once has a minister said, "That's a hell of a good idea."

Hon. Mr. Timbrell: I said it twice yesterday to Mr. Burr.

Mr. Sargent: I know but just because you say it's good—he might be wrong if you say

it's good. I can say that. The fact is that you sit there and you try to defend a policy that people submit to you and you think you are the end-all of all knowledge.

Hon. Mr. Timbrell: No, wrong again.

Mr. Sargent: Okay, in 1976 you are borrowing—what is that again?

Hon. Mr. Timbrell: I said wrong again.

Mr. Sargent: On what?

Hon. Mr. Timbrell: You have made those kinds of statements—

Mr. Sargent: I will give you the dates in a few minutes if you will wait a few minutes. If you want, I will stop now and take 20 minutes and find them for you. It doesn't matter.

Hon. Mr. Timbrell: Please; I would appreciate it.

Mr. Sargent: Your borrowing in 1976 is \$1.5 billion.

Hon. Mr. Timbrell: I am going to be here all afternoon. If you want to take the time to find the dates, it would be very helpful.

Mr. Sargent: I will find them when someone else is speaking. I'll go to my office and get them later. In 1977, you are going to borrow another \$1.5 billion. In 1978, another \$1.5 billion and because of Hydro cutbacks you are going to have to pay a penalty of \$50 million, all on this nuclear power programme.

The funny part of it is not a single insurance company in North America will insure any person, building or property against nuclear damage. You have the audacity, you and your board and Hydro, to go out and say, "We know this is 100 per cent safe," but no insurance company in America will say that you are right. Furthermore, you compound the thing in my area and Mr. Gaunt's area.

There is a man named Don White whose job is PR and his job, as far as I can see over the years I have been here, is trying to defend mistakes which Hydro makes. I want to make it quite clear to you, sir, that Don White is not being paid out of my tax dollars to con my people—that's exactly what it is, a con job. It is misrepresentation of the facts. He only tells us things when they come out by accident. There was a \$1 million leak there about four years ago. I found it out from a reporter and they denied it. I brought it up in the House and the

minister denied it. The next day they accepted it as fact.

Hon. Mr. Timbrell: I denied it?

Mr. Sargent: No, you didn't. You weren't the minister at that time, thank God—we have had you long enough. We have had a series of leakages and breakdowns which, if they happened in the United States, would cause a complete shutdown. There are many plants there now—I forget the percentage—in limbo because of malfunctions and the quality of containers and quality in the storage. We have been shipping plutonium, the most powerful explosive in the world, out of Douglas Point to France and the uses of plutonium are not nuclear. They are as an explosive only. I am wondering if we are still shipping it. I don't know.

We are talking about getting more power from nuclear plants, but many critics have said that if we build too many generating plants the excess generating capacity they provide will be sold to the Americans or to other jurisdictions. We know New York is power hungry and that great group of growths along the US eastern seaboard is ready to gobble it up. The question in my mind is, should Ontario residents, should I and my people, many of them unemployed, pay to build facilities to benefit the citizens of the United States?

I asked the minister last night if he would put his views on the record, through the medium of television, with a group who wanted to tell the people of Canada what we are facing in this flight toward the biggest time bomb in the world, nuclear power. If we ever had an attack on this country we are very vulnerable. We are just living bombs, that's all we are right there. I asked the minister if he would be so sure of his facts he would appear on television on a panel and he said no, he wouldn't.

Hon. Mr. Timbrell: I said I wouldn't participate in a three-ring circus.

Mr. Sargent: What kind of a circus would you participate in then?

Hon. Mr. Timbrell: I wouldn't participate in any circus. I think what you are describing is, in effect, a three-ring circus.

Mr. Sargent: I see. Then your only way of answering that is that you would only see them before a royal commission.

Hon. Mr. Timbrell: My point was that I think in making any decisions about the future expansion of Hydro those decisions

must be based on facts, not on half-truths, mistruths or emotional outbursts. They must be based on facts.

The royal commission put out a paper recently, which I hope you saw, on the nuclear question, where they listed the various submissions they have already had and the kinds of issues that have already been raised before the royal commission. I think that is the proper kind of forum, first of all, to state the case, which Hydro has done and which the Canadian Nuclear Association has done, and to raise objections, concerns, alternatives and to have the two sides in a forum where in a quiet, objective, dispassionate way those positions and those concerns can be questioned, not just railed against or shouted against but in a clear—

Mr. Sargent: I won't be there. I won't be on the panel. That's what you are worrying about, is it?

Hon. Mr. Timbrell: I think you are a little too sensitive to what I'm saying. I was not directing that part of my comments to you particularly. I think it's important for the future of the people of this province that it be done in that way.

Mr. Sargent: That's good. In a very rational way the facts have got to come out. The head of the Atomic Energy Commission in the United States said, in summation of the whole programme, "In finality, all we can hope to do is guess and hope we guess right." Do you think it's right to spend \$35 billion on guesstimations?

Hon. Mr. Timbrell: Excuse me, what was the context of those remarks? Who was it? Was it Miss Ray, the former chairman, or who is the current chairman?

Mr. Sargent: Mr. Minister, you are getting painful. Every statement has to be checked off. If you want to know every statement, I'll give you a background here.

[2:30]

Hon. Mr. Timbrell: Well I—

Mr. Sargent: What the hell is wrong you that you can't be intelligent? You are acting like a school kid. Why don't you grow up and be a business man? If I ever met a man in business like you, I'd say you were stupid. Now smarten up, we are talking about billions of dollars here and you are nit-picking about my statement.

Hon. Mr. Timbrell: You mean to tell me you would decide whether to expand your tavern or some other business—

Mr. Sargent: I wouldn't talk to you about business at all, because you've got no brains.

Hon. Mr. Timbrell: —some business on the basis of statements made when the speaker couldn't give dates, or the background to those statements? You wouldn't make a decision on that basis and neither would I.

Mr. Sargent: Mr. Minister, I think the reason you are in that job is because Hydro can push you around and get anything they want, because you really don't cut any ice with anybody, anyway. So what the hell we're talking to you for, I don't know, but we have to go through this motion to get on the record the dangers we are facing in this province; the moneys you are wasting and everything I've told you here; what's going on in this building across here and the \$50 million penalty you're paying for cutbacks; and the fact the bond market now won't give you any more money. You've got to the point where you've ruined the credit of the province.

Hon. Mr. Timbrell: What is the credit rating of the province today?

Mr. Sargent: I don't know what it is today, but I know what it was a while ago.

Hon. Mr. Timbrell: I'll tell you what it is today. It's still a triple-A rating.

Mr. Sargent: It is like hell a triple-A rating. You know that's not true.

Hon. Mr. Timbrell: What's your source for that?

Mr. Sargent: I made a phone call many times to find out what your credit rating was and the Treasurer (Mr. McKeough) was wrong the last time and you were wrong.

Hon. Mr. Timbrell: The credit rating is still triple-A

Mr. Sargent: I talked to Mike McClure in New York.

Hon. Mr. Timbrell: Who?

Mr. Sargent: So, all you can do at this point, you sit there and you try to defend —everything everybody says is wrong. You're in the hands of Hydro and you go right down the pike not knowing the facts, you haven't been here long enough to know what's going on. I'll be back later on; I'll get the dates and figures you're asking for.

Hon. Mr. Timbrell: If I may, Mr. Chairman, I'll wait to reply until Mr. Sargent

comes back with the dates and then we can within the context of the dates and the full statements I referred to, discuss—there are a number of issues that would take quite a while and I'd be glad to get into them when we have that in half an hour or so.

Mr. Chairman: We have the following list of speakers: Gigantes, Newman, Gaunt and Shore.

Mr. Mancini: Mr. Chairman, on a point of order. The minister was going to report back to the committee about the Clark Keith generating station.

Hon. Mr. Timbrell: I have it right here. In short the—

Mr. Mancini: Could we have a copy or a statement after, too?

Hon. Mr. Timbrell: This is a copy of a letter that went to Mr. Burr in March, which I think most clearly sets out the status. I'm quoting from the first full paragraph on the second page of this letter of March 31, 1976. It was a letter from the chairman of Hydro to Mr. Burr. It says:

"Studies are presently continuing as to the best use Hydro can make of the plant in the future. We are reviewing the options of continued coal burning with upgraded stacks and precipitators and the alternative of converting the plant to burn a cleaner fuel, such as residual oil from Petrosar in Sarnia, in order to meet environmental regulations. Until these studies are completed and demand for the station capacity develops, no decision can be made concerning the reopening of the plant.

"If the power demands require the generating station to be returned to operation, former employees would be given priority in submitting applications for re-employment at the Keith station."

That was the situation as of March. At this point the studies are in the final stage on what would be the best use Hydro could make of the J. Clark Keith generating station in the future. Until the studies are completed, presumably by the end of the year, and until the demand for the station capacity develops, there will be no specific decision regarding the reopening of the plant. It can't be made until those two things develop.

Mr. Ruston: That's the same then as I received on March 25.

Mr. B. Newman: Everybody got the same letter.

Hon. Mr. Timbrell: In other words, the decision has not been taken that it will be reopened, and if so, under what—

Mr. Ruston: I was interested in that point where they were thinking of using the residual oil from Petrosar in Sarnia. That's an interesting point, I would think.

Hon. Mr. Timbrell: Residual oil is the fuel for Lennox generating station and is planned as the fuel for Wesleyville.

Hydro has contracts with Petrosar and with Golden Eagle; I believe the quantities are something in the order of 20,000 barrels of fuel a day for those stations. So that's one of the possibilities.

Mr. B. Newman: If we could stay on the same topic, the letter to Mr. Ruston of March 25 states: "Ontario Hydro's decision to mothball the Clark Keith generating station in Windsor for some 2½ years was made only after extensive studies and was triggered by prevailing economic conditions."

So you had already made a decision to mothball it.

Hon. Mr. Timbrell: To mothball, rather than to close it outright.

Mr. B. Newman: Yes, but are you going to mothball it for only 2½ years?

Hon. Mr. Timbrell: That decision has not been taken. The initial decision, about which you are correct, was that rather than just closing it outright, selling off the property or whatever, it would be mothballed.

Mr. B. Newman: Yes, but you are mothballing it for a specific time, for 2½ years.

Hon. Mr. Timbrell: Since that decision was taken early in this year, studies have been going on, which I just indicated should be completed by the year's end, on possible future uses. Those must be completed. We must see whether the capacity of that plant is going to be needed. Then, based on those two things and the cost involved if it were to be retrofitted, a decision will be taken by Hydro as to whether or not to reopen it.

Mr. B. Newman: The letter states the decision to mothball for 2½ years was made only after extensive studies. You have already completed your extensive studies. Are you going to go into more studies now?

Hon. Mr. Timbrell: The studies referred to in that letter were studies on the cost of operating it at the time, the environmental problems and the question of the need for that plant in the grid at this time. As a re-

sult of those studies, the decision was taken to mothball it and the commitment was given at the time that was done. It was closed down and left with a staff of nine in the plant just to maintain it, to watch out for vandalism and this sort of thing.

Mr. B. Newman: But you state a specific period of time that you are going to mothball it for. In other words, we have to conclude that after the 2½ years you are going to reopen it.

Hon. Mr. Timbrell: Or close it down forever.

Mr. Mancini: That was not a general assumption that was given out at any time to the people who were employed there.

Hon. Mr. Timbrell: I think it was made very clear that they were not making a decision at that point as to whether it would be reopened at some point or eventually closed down entirely. By mothballing it and by keeping a minimal number of staff on site to maintain the building facilities so that they wouldn't be damaged by the elements or for any other reason, it will allow time for the further studies to be made on the possibilities and the cost of the possibilities of reopening that plant at some time in the future.

Mr. Mancini: How much has Hydro spent up to this point refurbishing the plant?

Hon. Mr. Timbrell: I don't believe at this point they have spent anything on refurbishing it. The only costs involved would be the cost of wages and salaries for the staff still there.

Mr. Mancini: Are you sure that there has been no money spent at all?

Hon. Mr. Timbrell: I don't believe so, but I will confirm that.

Mr. B. Newman: If I may continue on this, at the meeting that I made mention of yesterday, that took place on March 7, 1976, Tom Reaume, president of Local 109 of CUOE, and the group there made mention that the reason for mothballing for 2½ years was some \$6.3 million—that there may have been a loss in maintaining the plant in operation, and that they were going to reopen in 1979. This is from the union. They understood that you were going to reopen that plant in 1979.

Hon. Mr. Timbrell: I haven't met Mr. Reaume. I don't know where he got that; the possibility is there. But it's not a definite fact now, and never has been that it will definitely reopen.

I'm sorry to be repeating myself but two things have to be determined. First what it would cost to bring the plant up to modern standards—it is after all a quarter of a century old—and, secondly, whether the capacity of that plant would be needed and, if so, when.

Mr. B. Newman: The March 5 edition of Hydroscope, which is put out by Hydro, is really very misleading. The headline in that paper reads: "Coal-Burning Plant's Temporary Shutdown Will Save \$6.2 Million." There was no indication there in the Hydroscope that you were going to—

Hon. Mr. Timbrell: Mothballing is a temporary shutdown until a decision is made as to whether it will be a permanent closure or whether it will be retrofitted. I'm sure you wouldn't want Hydro to make a decision on retrofitting it without being sure of two things: (1) whether they need the plant and (2) what it would cost.

Mr. B. Newman: There is a difference of opinion between the two of us. I will just let it stay as it is. But the union members were told that you were planning to convert to oil and that you were going to spend some \$25 million. This came from your officials in conversations with the union at some time prior to March 7, 1976.

Hon. Mr. Timbrell: I don't know where the figure of \$25 million comes from; it may have been somebody's estimate as to what it would cost to retrofit the plant. But those two basic decisions, based on economic studies and a study of the need for the plant—it has got four 66-megawatt units—have to be determined before you can make a decision as to whether you will spend \$15 million, \$25 million, \$45 million or whatever. You really can't make a commitment of such large amounts of the public's money without knowing whether you need the plant and whether it's an economically viable project compared to something else that could be done.

Mr. B. Newman: I won't argue with your comments, but when the union is led to believe by your officials, meeting with them, that you plan to convert to oil and to spend \$25 million, someone is misleading them.

Hon. Mr. Timbrell: I'd like to know—

Mr. B. Newman: Someone is not levelling in meeting with the employees—and that's not fair to them.

Hon. Mr. Timbrell: Maybe you can find out from Mr. Reaume who told him that

or whether it was an impression. I'd like to know.

Mr. B. Newman: I would assume that Mr. Reaume and the members of the union, in relaying this information to us, were telling us what they heard from your officials. This is what they gave us and I specifically wrote that down at the time we were meeting with them.

Hon. Mr. Timbrell: If you check back in the record and read the statement I made in the Legislature and the answers I gave to questions raised by you, by your colleague from Essex South (Mr. Mancini) and by the member for Windsor-Riverside (Mr. Burr) as well as by the member for Windsor-Sandwich (Mr. Bounsall), I think, you will see that what I'm saying today is entirely consistent with what I said then. That's why I say I would like to know—and perhaps you would be good enough to find out for me—who told him this or whether it was an impression.

Ms. Gigantes: On the same point, Mr. Chairman, I would like to ask the minister whether in a case of this kind, he doesn't think it would have been most helpful to have had a statement from Hydro itself, in as clear terms as possible, personally addressed to each of the employees involved, at the time of the temporary shutdown, mothballing or whatever. That's what's been lacking here. We're going back over ancient history now, but people feel they've been misinformed. In a situation like this, it seems to me a personal letter to each person—and there were only 200 people at that plant—would have helped.

Hon. Mr. Timbrell: In fact, each of them may well have been sent a notice, but I'll check on that as well.

Mr. Mancini: I think that Hydro should also give some explanation of the headline in their Hydroscope of March 5, 1976. In their little write-up it states that the plant is expected to be out of service for 2½ years—just as clear as day.

Hon. Mr. Timbrell: I hope my statements are as clear as day and I can tell you that is the way it is.

Mr. Chairman: Ms. Gigantes.

Ms. Gigantes: Mr. Chairman, I guess it was yesterday, when he was talking about some suggestions by my colleague from Windsor-Riverside, that the minister said he had an abhorrence of doing things in a

piecemeal manner. I have the same abhorrence, and I felt that our abhorrence was on the same points.

The questions I'd like to ask about policy are very numerous; in fact, I think they are too numerous to raise in detail here today. If I could get from his ministry some comments on a number of specific projects that the ministry is involved in. At some point in the future, I'll just give you a little list.

[2:45]

Hon. Mr. Timbrell: Yes.

Ms. Gigantes: I'd like to know about what the ministry's position on the Sarnia-Montreal pipeline is right now; what the situation is with the Polar Gas project; what the ministry thinks will be happening with uranium over the next few years; and what its position is in terms of whether we should be paying international prices for uranium. I'd like some assessment from the ministry of the significance of the current profits—

Hon. Mr. Timbrell: Do you want all these today? Should I be taking notes?

Ms. Gigantes: This will go on the record and if I can get the answer from the ministry sometime in the next little while I'd be quite satisfied.

I'd like to know what the ministry's assessment of the significance of the current profit levels of the uranium companies in October is; how the exploration projects that Ontario Hydro has joined in are doing; what the ministry's assessment of the current technology of recycling plutonium for use in the modified CANDU in the future is.

I'd like to get some overall view of where the "watts for waste" project is going after so many years. I'd like some assessment from the ministry of what the situation is with patents in the solar field internationally and what problems we might run into in trying to use patented technology.

I'd like the ministry to comment on the possibilities of setting up coal gasification projects in Canada and in Ontario, and I'd like the ministry to make some assessment of how reliable the current estimates of coal deposits in Canada and in North America are. Are we likely to be misled on those again?

So, if I could leave those questions with the ministry and hope that I'll be able to get some comments later.

Hon. Mr. Timbrell: We can get into some today if you want.

Ms. Gigantes: I'd prefer to concentrate on other areas, if that's all right with the minister.

Hon. Mr. Timbrell: Okay.

Ms. Gigantes: Could I ask first, too, where we could see an accounting of how much money we currently have involved in wind and solar projects? Is there a place in the estimates we have before us where we can break that out? I haven't been able to discover it.

Hon. Mr. Timbrell: No, that's the problem with this.

Mr. Chairman: I guess it's under the energy policy programme.

Hon. Mr. Timbrell: We'll get this.

Ms. Gigantes: Okay. I'll leave that too for the moment, Mr. Minister. The subject that I would like to raise for the minister's comments and perhaps have some discussion with him on, is essentially oil and Ontario's position and policy in terms of making sure of an adequate supply of oil, the pricing of oil in Ontario, and I would like to pick up basically from the remarks that have been made by the royal commission on petroleum products pricing.

Before I do this I should say that I share with the member for Grey-Bruce (Mr. Sargent) a great deal of the frustration he feels on the nuclear power question, and I'm leaving aside a lot of questions that I might ask about Hydro at the moment because I think the kind of recommendations that have been accepted by the government from the select committee on Hydro will bear fruit quite naturally over the next few months and questions can be raised at that stage rather than now.

On oil, Mr. Minister, there are a number of very strong comments that are made by Dr. Isbister in his report that really question the kind of policy that Ontario has had in the past on oil. I tried to raise some of those in the concerns I expressed about the organization of the ministry the other day.

I think we and the minister have to accept that Dr. Isbister is not what he would call an NDP supporter. He's not a person who is socialist in his attitude in terms of saying that oil companies should be nationalized or there should be a major investment of public funds in the oil industry.

Hon. Mr. Timbrell: He was appointed because he didn't have any particular axe to grind.

Ms. Gigantes: From many of his conclusions we see that he is by nature and by experience a person who believes very firmly that the private market is the appropriate way for Canada and Ontario to be dealing with oil. However, in spite of that basic attitude on his part, he does have some very pungent kinds of comments to make about the way Ontario has dealt with the oil problem over the past few years and presumably will continue to do so unless there's a change in policy on the part of the ministry.

The first thing I would like to mention is his suggestion that we have not adequately looked at Ontario's position as a consumer. We are a huge consumer of oil. We lay out vast sums of money on oil expenditures each year. But he is suggesting to us that Ontario is not protecting itself as a consumer in an adequate fashion. I'm looking at page two of the final report in Book I where he has a title "Ontario's Bargaining Power." He says: "The province has all the bargaining power of a large consumer and needs mainly to use it."

I think that's a pretty fair assessment and whatever your political viewpoint is or whatever you think of the private market place, that's just common sense. He is suggesting pretty strongly that we haven't been doing that. He suggests a number of areas.

Hon. Mr. Timbrell: Can I just comment on them as you go along?

Ms. Gigantes: Yes, please.

Hon. Mr. Timbrell: That's motherhood. The difficulty I have with it is that it doesn't say what kind of power and how.

Ms. Gigantes: Yes, he does. Perhaps you'd prefer to wait until I point out the ways in which he does that?

Hon. Mr. Timbrell: Okay, I'd like to see where you found it.

Ms. Gigantes: This slops over into another area, which is the Ontario Energy Corporation. I apologize for that but I think I should bring it up in the course of discussing general policy because I think oil is really in large measure a test of whether our general policy is working in the Ministry of Energy. He talks about Syncrude and makes a number of comments which can be construed as pretty direct criticism of the investment of \$100 million that Ontario has made in Syncrude.

On page 13 at 1.27, he says: "Ontario has already invested in the Syncrude project in Alberta. The province should refocus its

strategy by encouraging investigation and development of the full range of Alberta potentialities for incremental and interim supplies, as already described, en route to fuller development of the tar sands and heavy oils. Without interference in the internal policies of Alberta, there is useful scope to work with that province in Ontario's interest."

He doesn't go into a great deal of detail about why he says that, but I think that we have on record from various Canadian sources people who've done a fair amount of detailed analysis of our problems with energy, particularly in the oil industry in Canada. We have on record a lot of information which leads me to think that Dr. Isbister is quite correct in saying that we should refocus our strategy in Ontario and to commit ourselves to something like the Syncrude development is a mistaken use of our power as a consumer.

I think we have to take into account that from the way current tax laws are set up, for every \$3 an oil company invests in Syncrude it can write off \$4. That's the way our current tax laws are set up. It is to the benefit, at this point in time, of the oil companies to make sure that we, the public, put millions of dollars into investing in projects which otherwise might be left undeveloped for some time and for which there might not be the kind of urgency they have been able to create in our minds over the last few years to invest heavy amounts in projects which are technologically difficult.

Dr. Isbister is suggesting to us that, if we want to behave in our own best interests as consumers in Ontario, we should be looking instead to what incremental kinds of supplies of oil we can work out over the next few years. He is suggesting to us that as consumers we should be careful we don't invest in long-term projects that perhaps should be left. The oil companies need our money right now; they can get the commitment from us and they're getting it.

Hon. Mr. Timbrell: Excuse me, have you read page 37 of the report?

Ms. Gigantes: Yes, I have.

Hon. Mr. Timbrell: Can I draw to your attention point 4.25 which says: "If the province is to expect a reliable and reasonably priced supply of crude oil beyond 1985, it must encourage a variety of exploration ventures, both in the conventional producing areas and on the frontiers and research and development programmes related to new petroleum technologies. Such support may be in the form of governmental planning, occa-

sionally reinforced with carefully considered financial assistance, market guarantees or subsidies to assure the province of a range of supply options from which to choose after the conventional reserves of the western basin have been exhausted."

Ms. Gigantes: With respect, that's not what we're doing.

Hon. Mr. Timbrell: I think it is.

Ms. Gigantes: No, it's not. He has made the point that in terms of planning and in terms of behaving as smart consumers we haven't developed a policy in Ontario that will try to plan for or try to assure supplies from conventional producing areas. That's the point he's making.

Hon. Mr. Timbrell: Because you made some statements yesterday, I'd like to table some documents and some statements that cover the field of oil development pricing and the impact of that on future exploration and development and prices in the Dominion. These include analyses of economic impact on Ontario of the 1974, 1975 and 1976 increases.

I do this for two reasons: One, you're touching on them; and, two, because yesterday I got the inference that perhaps we weren't well prepared. These are just a few. There are many more documents, speeches and statements of policy and so forth that you would be interested in, I'm sure.

Ms. Gigantes: Yes, I would.

Hon. Mr. Timbrell: I'd like you to have these.

Ms. Gigantes: I will take those with gratitude. If I can, I would like to return to the point that I was trying to make. It seems to me that Dr. Isbister very gently, but very firmly, is insisting that we have to redirect what our policy is on oil. He says that quite clearly. It seems to me that what he is suggesting is a government financial investment, and the part that you read out from his recommendation is quite interesting. He says "occasionally reinforced." He says: "Such support may be in the form of governmental planning, occasionally reinforced with carefully considered financial assistance, market guarantees" and so on.

I get the very distinct feeling from reading Dr. Isbister's report that he doesn't think the \$100 million invested in Syncrude amounts to that. I think that what he's trying to say, gently but firmly, is that that's not the best way for us to be spending our money here in

Ontario; that we haven't done enough planning and we haven't tried out different avenues of getting conventional sources of oil in the immediate period that faces us.

I have to agree with him and I think there's a lot of documentation that projects like the Syncrude project are projects which are very timely for the oil companies. This is the time they can wring public commitments of money. They can say we have to have these projects now.

I don't think that there is enough exploration going on at this moment. Perhaps some of the documents you have tabled now will be helpful on this score, but from what I've been able to read, follow and question about Ontario government policy, it doesn't seem to me we know enough about what these interim sources could be. He feels clearly that they offer us potential as consumers. I think this is one point I would like to see the ministry start to rethink. It is a clear suggestion from the royal commission and I think it is worthwhile.

[3:00]

The second area he gets into is a discussion on whether we should be making commitments right now to domestic sources of oil, compared with imported sources of oil in the future in Ontario. He suggests there is a lack of analysis at the moment on the subject—that we don't know enough about what the domestic prices of oil will be over the next few years. He expresses the clear concern that we may get ourselves in a situation where we commit ourselves to domestic sources of oil, only to find them coming to us at a higher price than imported oil. He says that quite clearly. I would like to read one of the points he makes in this area. It is on page 13 of Book I, point 1.24.

"While there are competent governmental and private organizations in the field of petroleum there is still a serious lack of authoritative and available information on important aspects of the supply of crude and the potentials. The sudden awareness that proved domestic crude reserves have a rather short life has been accompanied by the discovery, certainly by this commission, that some of the information pertinent to the next steps of policy formation is not available. To exercise its responsibilities as a consumer in the midst of many problems, Ontario should respond favourably if it is invited to participate in support for an independent research and information institute in the relevant fields."

Mr. Minister, I think that is another gentle, but firm, kind of directive that the royal commission is giving us. I would go further than he goes. If I were the Minister of Energy, I wouldn't wait for somebody else to invite us to participate in supporting an independent research and information institute. I think we should suggest it. I think it is a suggestion that might be taken up quite well by other governments and I think it is an initiative that the ministry should be making.

He goes on to suggest that we should learn a great deal more from Alberta about the existing potentials of conventional crude sources. He suggests we have to do some real planning, make some real contact with Alberta and that we haven't done enough in this area. He also suggests, and this, again, touches on the question of pricing, that we have to know what kinds of alternatives we could get into, if we decided—and he feels we haven't even got information now to begin to decide, we have to know what kind of storage facilities we might need in Ontario to allow for security of supply—if we decided in favour of using imported crude oil over the next few years.

These are some of the points he raises and I would appreciate the minister's response on these particular points. What we do on oil is a matter of our attitude toward the energy problem. What the royal commissioner has been suggesting to us, in his gentle, firm way, is that we have to rethink what we have been doing, and we haven't really been adopting policies, searching out policies and getting necessary information and analyses that will lead us to make the best choices.

Hon. Mr. Timbrell: If we can start with the question of the need for Syncrude. It is unfortunate the member for Grey-Bruce (Mr. Sargent) isn't here because he also made some comments but on a different aspect.

I think you have to go back to the National Energy Board report of 1974 on supply and demand for crude oil, perhaps as a beginning, wherein they projected an increasing reliance on imported crude oil, OPEC oil if you will. In projecting available supplies of crude oil and in conducting hearings, the board heard testimony, not just from companies involved in the business but also from provincial governments and from some independent interveners. Their projections were predicated in part on the coming on stream every two years—after Syncrude—of a Syncrude type of tar sands plant.

It was in December 1974, I believe, that Atlantic Richfield walked away from the Syncrude project. I think if you look at the projections of the board, if you look at the fact that there is not another single tar sands plant project in place today—in other words, there will not be one every two years after Syncrude—that, in fact, the need for that oil by the end of 1978 will be about 109,000 barrels a day and ultimately will be about 129,000 barrels a day—

Ms. Gigantes: Have those figures been revised, Mr. Minister? I have seen a report that EM and R has new projections. It was an October 27 report in the Financial Times which said EM and R projections on energy use as a whole in Canada have been lowered by 18 to 30 per cent through the period to 1990. Have the oil demand estimates been lowered? I haven't seen the basis for that report.

Hon. Mr. Timbrell: Perhaps we can review this question of crude oil supply and demand. It would take perhaps five or 10 minutes to put it in perspective. That may well be part of the hearings that are going on right now. Have we got the material here? I will call on Dr. Button.

Ms. Gigantes: These are not the slides we saw last year, eh?

Dr. Button: They are updated a little bit.

Ms. Gigantes: If there is no significant updating, perhaps we shouldn't run through them all.

Hon. Mr. Timbrell: Well, they won't take more than about five minutes; and there are members of the committee here today who weren't here last year.

Ms. Gigantes: I would just like a specific answer, if you can get it for me, about whether the oil demand projections to 1990 have been lowered.

Hon. Mr. Timbrell: No.

Ms. Gigantes: Then where does this reported decrease in the overall energy demand estimate come from?

Hon. Mr. Timbrell: Whose figures are they?

Dr. Button: We do have the slides you have made reference to, Ms. Gigantes. They show the picture of the energy strategy for Canada.

Ms. Gigantes: Are these updated by the new EM and R projections—

Dr. Button: That's right.

Ms. Gigantes: —as reported in the Financial Times on October 27?

Dr. Button: I don't know whether it was reported in the Financial Times.

Ms. Gigantes: Yes, but they are from October?

Dr. Button: That's right. A very large document came out, and it is called "An Energy Strategy for Canada." I believe that's what you are quoting from.

Ms. Gigantes: The source of that revised estimate wasn't clear to me in reading the article. It was in our NDP research files and I just took notes on it.

Hon. Mr. Timbrell: There was a fellow from Environment Canada who appeared before the Porter commission and made some statements as to what I think were his personal projections. If I may, Mr. Chairman, some of it may be repetitive for Ms. Gigantes, but there are members of the committee who weren't here last year and who wouldn't have seen this. It doesn't take that long—

Ms. Gigantes: With all respect, Mr. Minister, I have felt very frustrated over the last two days. Trying to get at the essence of policy in this ministry is like trying to punch a pillow; you put out your hand and it sinks into fluff. Documentation of each and every point, with lengthy contributions by members of your staff, would be lovely if we had three weeks—but we only have four days.

Hon. Mr. Timbrell: I just want to give you some answers. You've got to use facts sometimes to give answers.

Ms. Gigantes: I can't make a decision for the committee.

Dr. Button: There are some conflicting and competing objectives. For instance, right in the Isbister report he indicates there should be a commitment to new sources of crude oil. On the other hand, he also says be very cautious that you do not get bolted into producing these sources that are going to be of higher cost than imported oil, significantly higher. That in itself is a competing and a conflicting objective. On the one hand, he tells us to go forward with great gusto—

Ms. Gigantes: He says to examine, and he notes that already we have made a commitment. We have made that kind of lock-in judgement of \$100 million.

Dr. Button: That is exactly right. Right now what the whole of Canada is doing is

sitting back waiting until this plant is commissioned to get some feel for this new technology. Is it going to produce according to spec? It is a \$2.1 billion plant.

Ms. Gigantes: We can't get our money back now. We've made the commitment; fine that's done. His point is that we have to do other things as well.

Hon. Mr. Timbrell: Mr. Chairman, I'll leave it to you as to whether the committee is interested in seeing the supply-demand charts. If not, I'll carry on with what the committee wants to.

Mr. Chairman: Is there anyone who wishes to see these charts?

Mr. B. Newman: Show them during the supper break.

Mr. Chairman: There will be no supper break tonight, but tomorrow night you may want to see them.

Hon. Mr. Timbrell: You made a suggestion that there has never been any conscious decision to commit to domestic supply rather than imported. In point of fact, you are quite mistaken. That decision was taken over 15 years ago when the federal government introduced its national oil policy, with which the provincial government of the day concurred, namely, to divide the country into two regions east and west of the Ottawa Valley line. The portion of the country lying east of the line, namely, the province of Quebec, the Atlantic provinces and a small portion of the province of Ontario including the area which you represent, was committed to offshore crude and the area lying to the west of the line was committed to domestic crude.

One main reason for that was, by committing the large Ontario market to domestic crude, to add the necessary impetus to the development of a domestic petroleum industry. That's the kind of thing you can take out of what Isbister is talking about, and that in fact happened. The other thing was that the crude which at the time was going to Quebec and the Atlantic provinces was significantly less expensive than domestic crude, by about 25 per cent, and that presumably was also to assist in the development of industry in that area by giving them some kind of an advantage.

Since that time what has happened is that in the last couple of years Canada, the nation, has lost its domestic self-sufficiency. There was a time that when we balanced exports against imports we were still self-sufficient.

We were on the positive side of that account. Now we are not. In 1975, if I remember the figures correctly—and I haven't used them for some time—if you compared exports and imports, even though exports were down a third and are to be phased out by 1981-82, about 17 or 18 per cent of the oil consumed in the country was then imported.

In "An Energy Strategy for Canada" published by the federal government which came out, I think in April—and it's interesting in itself that a few years ago they had an energy policy for Canada and now they have an energy strategy—they project that by the mid-1980s we will be something like 35 per cent dependent upon offshore crude. I said then and I say now that I deplore that. In stating that in "An Energy Strategy for Canada," they seem to accept that rather blithely.

If you will look at some of the documents I am giving you today, particularly the one relating to the 1976 Energy Ministers' conference, what we have said is that we need to have a pricing structure and a national policy in this country that will give all possible emphasis to the development of Canadian resources rather than having this growing dependence on imported oil. So far as the commitment to the domestic sources is concerned it couldn't possibly have been clearer in the past, nor could our commitment in the future.

[3:15]

You mentioned the fact that, perhaps, some sources of domestic oil could be higher in price than imported. That has been true in the past. It was true for many years that Canadian crude oil was in fact more expensive by about 20 to 25 per cent than imported. But it was ours, it was secure and that money was staying in Canada not going to the OPEC producers. It's quite possible when you get into the enormous costs associated with the development of such areas as the Athabasca tar sands or the heavy oil deposits in the west or the far north, that you will, of necessity, be talking about higher prices for those oils.

You asked what we know about the foreign oil price. Nobody can predict with any certainty exactly what is going to happen there. As you know the Organization of Petroleum Exporting Countries is meeting, I think on December 15. Iraq's oil minister has publicly called for a 25 per cent increase in the price of their oil—sorry, the Shah, the Emperor of Iran, has called for 15 per cent. The King of Saudi Arabia has made much more moderate statements although it's not clear in my mind whether they are going to try to

persuade their colleagues in OPEC to hold the line or go for a very small increase. It's all very uncertain.

What we do know is that the present policy of our national government is to move—I don't want to misquote them, I think their words are "move towards world prices." In the position which we took in March, we laid down six principles of petroleum pricing, crude oil pricing in the country. One of them was that at no point should the price of crude oil in the Dominion be higher than that in the United States, recognizing the fact that we do 70 per cent of our business with the United States and holding crude oil prices to a lower level would assist in maintaining some kind of a competitive position for Canadian industry. So that on that score our position is clear, very clear.

As you know the results of the conference were not entirely to our liking. You suggested, and Dr. Isbister has as well, that we should plan more and have more contacts with Alberta. Well, we are in regular contact with all of the governments. Ontario was the moving force in the establishment of the Interprovincial Advisory Council on Energy, which is made up of all of the deputy ministers. We have called for a number of inter-provincial meetings and have initiated a great many individual meetings.

For instance, prior to the pricing conference in the spring of this year, I talked to the then minister in Saskatchewan, Mr. Weyland. I talked to Mr. Don Getty, whom I deal with great regularity. I went out to BC and talked to the new Premier and his minister responsible for energy; I went to Manitoba, spoke with the Premier and his minister responsible for energy. I made innumerable trips to Montreal to talk to the Minister of Natural Resources who is responsible for energy. I went to Fredericton and Halifax and talked to the ministers responsible, there. Because of the time of year and inclement weather I wasn't able to get to PEI and Newfoundland, but the consultation was nationwide.

What we were trying to do was put together some feeling, some sentiment for a better way. We put forward an alternative pricing policy to the present one. At no point were we trying to say to the Maritimers, who are very sensitive to us Upper Canadians, or to the westerners, who are very sensitive to us central Canadians, that we had the final, ultimate, best answer. But what we were saying is that the present policy is not serving the national interest. It's not going to help us regain self-suffi-

ciency. In fact, the government in Ottawa now talks about self-reliance, whatever that's supposed to mean. As I said, they seem to accept a doubling within the next decade of our dependence on imported oil. It is not helping consumers in the country. It is not helping our industry in terms of our competitive position. There has to be a better way.

We put forward what we thought was a reasonable, logical and viable alternative. You know the result of that conference; only one other province, namely Manitoba, supported us.

Ms. Gigantes: But with respect, Mr. Minister, this was not a policy you were putting forward. It was a suggestion that while we had to have both domestic and imported sources of oil—what was the phrase you put on this pricing system?

Hon. Mr. Timbrell: A blended price system.

Ms. Gigantes: That really dealt with the problem at the top—just at the money level. That was not a policy of redirection for Ontario or for Canada in terms of what decisions should be made about assuring supply at reasonable prices.

Hon. Mr. Timbrell: Ontario believes that we should see the development of the tar sands. I don't know how much clearer I can be than that. Ontario believes that we should develop our own resources in the north. Ontario believes the incentive should be there for the companies to drill off of Labrador, to drill off of PEI, to drill off of Nova Scotia—wherever the prospects look good and the finds are promising. The present pricing policies in the Dominion don't do that.

We talked yesterday about the fact that gasoline in Niagara Falls, New York, is less expensive than gasoline in Niagara Falls, Ontario. The most basic reason for that is, by comparison, the excessively high royalties and taxation in this country. In fact, there is not enough going on.

You mentioned developing the traditional sources. As you know, there is what you might call an export tax applied to natural gas when it is exported from this country to the United States. That is fed back, if you will—into Alberta almost exclusively—to the producers, whereas the export tax on oil goes straight into the federal coffers. The result of that has been a tremendous upsurge in activity in the research for natural gas in gas-prone areas and the development of—what's the word I'm looking for? My mind's gone

blank—secondary and tertiary recovery. Now I've lost my train of thought. Anyway, the point is that is going on, do you see?

Ms. Gigantes: Could we discuss some of the points that you've raised here?

Hon. Mr. Timbrell: Sure.

Ms. Gigantes: I don't think there's any point in our going back over the mistakes that have been made in the past. Clearly our federal energy policy has been mistaken. We have to ask ourselves, though, why it was mistaken. I don't intend to launch into a great lecture on it, but our federal energy policy on oil was mistaken basically because the federal government was not getting the same information in 1972 as it started to get in 1974. We all know that. Everybody can discuss it at any coffee stand in this country. Everybody recognizes that.

What we have to ask ourselves is, are we permitting the same sort of mistake to guide our policies now? Let me discuss this not just in the context of Ontario for the moment. There is now a policy on the part of the American government to create self-sufficiency in oil in the United States, and that can mean the prices in the United States will rise to a very high level.

The traditional alliance between the oil companies and the kind of Republican government we've had over the last few years, during the period when this policy was created in the United States, is well known and well established—

Hon. Mr. Timbrell: I'm not going to defend the Republicans, but can I tell you just one thing that intrigued me? When they set up the agency to oversee their two-price system—I don't know whether it was a presidential order, an administrative order or whatever—and this caused some of the problems with their system, they specifically laid down the rule that they would not hire people from the petroleum industry, they would not hire people with that background. They would hire accountants and economists and so forth, outside of that ambit, with no experience there; and that caused them a lot of problems.

Ms. Gigantes: But the decision that is being made can be, as in the past, a decision which will benefit the oil companies and not benefit consumers. It's a decision also, Mr. Minister, let me suggest to you, which really creates possibilities which can call into question your suggestion for a blended oil price. Because if you're simply saying we shall pay for domestic sources of oil as long as those

domestic sources don't cost us any more than the United States oil, that is to shift the problem further down the line, because that can mean anything.

Hon. Mr. Timbrell: What it means is simply this—

Ms. Gigantes: The same oil companies which can benefit under an oil self-sufficiency policy in the United States can benefit as an off-shoot here if oil prices rise in the United States. They are also the same oil companies which will be selling us the imported oil. Whatever the sheiks do, the oil companies have not strangled and fallen gasping to the ground since OPEC began its maneuvers. They've done very, very well. This policy of OPEC raising prices has not hurt the oil companies. They get the same percentage of a bigger pie, a bigger money pie.

Hon. Timbrell: I think—

Ms. Gigantes: They can get us on two fronts; domestically, through the United States' door, and also on imported foreign sources of oil.

Hon. Mr. Timbrell: I think if royalties and taxes in the country were the same as they were prior to OPEC's maneuvers, then obviously, with the increases there have been in the country, there would have been tremendous windfalls. What has happened is that the government take in royalties and federal taxes has gone up astronomically.

But you know, you mentioned the United States and I think at the time of the embargo—three years ago—the United States was importing about 35 or 40 per cent of its oil. Today, the United States is importing more than 50 per cent of its oil. You can put down a number of reasons but, for instance, the government of the United States doesn't have a policy on the development of the Colorado oil shales. I maintain our government doesn't have a policy on the development of the Athabasca tar sands. I damn them both for their lack of foresight. They really don't have a policy on the development of some of their reserves, and what's going to be done about them.

So I don't look to the United States as the source of wisdom on this account.

Ms. Gigantes: As you know, Mr. Minister, there are thoughtful critics on the energy question in the United States who would question a commitment to the tar sands, to the coal sands.

Hon. Mr. Timbrell: To the oil shales.

Ms. Gigantes: The oil shales. I get all these terms confused. But the kind of project that that involves, because it involves making the kind of decision that Isbister has warned us against getting ourselves locked in. You know, the Americans getting themselves locked into the production of oil through very expensive, high technology methods.

Hon. Mr. Timbrell: But the alternative, surely—this is the dichotomy that Dr. Button referred to. On the one hand Isbister is telling us, move with all dispatch and do all kinds of new things—

Ms. Gigantes: He says selectively, in terms of financing—

Hon. Mr. Timbrell: Okay. Selectively, but be careful not to lock yourself in.

Ms. Gigantes: He says plan; be careful not to lock yourself in in terms of your commitments of money.

Hon. Mr. Timbrell: Okay.

Ms. Gigantes: Be careful not to commit yourself, to lock yourself in in terms of planning. I'm suggesting that maybe that's what we're in the process of doing. That's what he is suggesting.

Hon. Mr. Timbrell: Okay, well you see it's now two years since the Energy Corporation was established in the province, and the whole purpose of that corporation, again we are overlapping, was to allow Ontario the ability to invest in projects which would serve the needs of the people of Ontario in assuring future supplies. Shortly after the creation of the Energy Corporation the Syncrude problem reared its ugly head and we invested in that. We've also invested in the polar gas study, which, as you know, is eventually to bring gas from the eastern Arctic islands, and perhaps oil—there have been some encouraging signs of oil—to the southern markets. That's what we're doing.

[3:30]

Ms. Gigantes: At what prices? That is one of the things Dr. Isbister is suggesting, where I have to agree with him. We have to say at what price?

Hon. Mr. Timbrell: With respect, I think if you take his two comments, then you can agree with almost anything.

Ms. Gigantes: No, I disagree with you on that.

Hon. Mr. Timbrell: The combination and permutations of his two comments can lead

you to any conclusion you want. You can start with the conclusion and then apply his comments and they'll justify it. It is a matter of judgement, it's a matter of looking—

Ms. Gigantes: We know what the oil companies want us to do. They want us to invest in Syncrude. They have wanted us to behave in certain ways in terms of policy planning in the past. Those ways have turned out to be a disbenefit to us, as we now know.

Hon. Mr. Timbrell: It was not the oil companies which invited Ontario to get into Syncrude. In December, 1974, Mr. Dickie, the then Minister of Mines and Minerals of Alberta, sent telegrams to all of the provincial governments, asking them if they would be interested in participating in the Syncrude project. Ontario was the only one to respond. We expressed an interest. Before we even got to the point of saying we would go into it, we tried to get other companies in the private sector to go into it. It came back again to pricing policies in the Dominion, and we weren't able to do that. When it came down to the final days before Winnipeg, it was made very clear to us by both the Alberta government and by the Dominion government, even though Ontario couldn't consider an investment of more than five per cent, they wanted us in it.

Ms. Gigantes: The Dominion government in the past has made mistakes. You don't certainly go on their reference to make a decision?

Hon. Mr. Timbrell: Excuse me, I'm not finished. They wanted us in (a) because we are the biggest consumers in the country, and (b) because, given our previous track record, they looked to us as a stabilizing force, and that has proven to be the case.

Ms. Gigantes: If Alberta pursues a mistake in policy, it doesn't mean that we should too. Just because the government of Alberta invites us to join in a policy it doesn't mean that it doesn't reflect what the oil companies want. You know what the oil companies want. They want Syncrude and that's what they're getting.

Could I pick up on one other point which you keep referring to?

Hon. Mr. Timbrell: Can I just respond to that, please? That does get back to point F on page two, which you referred to earlier in Isbister's report, that Ontario has all the bargaining power of a large consumer and needs mainly to use it. My perception of Alberta policy is that so far as the tar sands

are concerned they don't have a policy. In fact, I think if you checked Hansard and so forth in Alberta, you'll find that the Premier of that province and the last two ministers responsible for energy would take the position that there are resources so just let them develop sort of in the fullness of time.

We take the position, and that seems to be almost the position of the federal government, that the tar sands are an important resource to this country and should be developed with all dispatch. To add credence to that position, it was then decided we would take part in a project which I think would have been shelved. The government of that province was quite prepared to see the project shelved and eventually put back together perhaps in a few more years. Looking at future supply prospects for the country, we feel that it was vital to keep Syncrude on the line.

There's another consideration which is not inconsiderable, that is, the fact that to date over \$200 million in orders for equipment for Syncrude have been placed in the province of Ontario. It also meant jobs in Ontario, it meant jobs in London, it meant jobs in Owen Sound and it meant jobs all over the province. That was a consideration as well.

Ms. Gigantes: Yes, but we don't use our energy policy to create an employment policy. If we're going to create an employment policy, we look at that.

Hon. Mr. Timbrell: Hopefully, if we move back more towards domestic self-sufficiency with the investment of the billions of dollars that we're talking about and with future supplies being more and more in Canada and less and less going offshore, then you are talking about jobs. That's got to be a consideration.

Ms. Gigantes: But those are not long-term jobs and that's not a long-term employment policy.

Hon. Mr. Timbrell: If you're talking about the long-term development of the tar sands, it sure is. You're talking about employment for thousands of people for a long time into the future as long as there is an orderly development schedule that guarantees or states officially that after Syncrude there will be more developments. Right now there's nothing planned after Syncrude.

Ms. Gigantes: I would agree with you that the Alberta government does not have an energy policy.

Hon. Mr. Timbrell: No, I didn't say that. They have a very definite energy policy. In

this field—and Don Getty would disagree with that—my perception of that policy is that it's a policy of we'll see what happens. I won't presume to write policy for Alberta, but I'm saying for Ontario and for the Dominion, the tar sands should be developed in an orderly manner and not just left to see what's going to happen.

Mr. Reed: Would I be out of order asking a question about the tar sands at this point? It is just for clarification. Do you know at this point what the projected cost per barrel is looking like now from Syncrude.

Hon. Mr. Timbrell: We are looking at about \$12 a barrel.

Mr. Reed: Is that the cost before any government claims or anything? Is that the actual cost of production?

Hon. Mr. Timbrell: That's throwing in the costs of royalties. Part of the agreement, as you recall, was that Syncrude would have access to world prices. We'd be moving towards world prices from that point.

Ms. Gigantes: I will put on record that I think that Alberta doesn't have an energy policy of its own. I think its energy policy reflects the policies of the oil companies with which it deals. I will put on record the fact that I don't think the Canadian government has an energy policy of its own.

Hon. Mr. Timbrell: I wish to adjourn that to Edmonton and Ottawa. I'm not going to defend that.

Ms. Gigantes: I will also state at this point that I think your description of Alberta's interest in Syncrude is a false one. You can read newspaper accounts of the time when the Syncrude project was in doubt that describe the Alberta minister scurrying from hotel room to hotel room and hurried meetings, desperate consultations and great fear that that project was going to fall through. They desperately wanted it and they got us sucked into it.

Hon. Mr. Timbrell: There's a difference between reading newspaper accounts and having been there. You have done the reading. I was there.

Ms. Gigantes: I think the times we're talking about are different times.

Hon. Mr. Timbrell: No. I was in Edmonton in January, 1975, shortly after becoming Energy Minister. The Treasurer (Mr. McKeough) and I went out for some of the

initial discussions with the then Minister of Mines and Minerals and the then Minister of Intergovernmental Affairs who is now the Minister of Energy and Resources. I was in Ottawa for discussions a few days after that with the then Minister of Energy, Mines and Resources who is now the Minister of Finance. I was in Winnipeg with the Premier (Mr. Davis) and the Treasurer. I was in those hotels. You make it sound like scared jack-rabbits running all over the hotels; it wasn't that at all.

Ms. Gigantes: I will bring you the account that I have of the whole negotiations.

Hon. Mr. Timbrell: The newspaper.

Ms. Gigantes: Yes. I would like to make a comment, if I could, about your comments on royalties. I would agree that the kind of royalties that Alberta is getting are of no benefit to the rest of Canada.

Hon. Mr. Timbrell: Or Saskatchewan.

Ms. Gigantes: Yes, but Saskatchewan, as you'll recollect, had a policy proposal to put before the federal-provincial conference on what use to make of those royalties. Saskatchewan proposed that they be invested in a public agency for exploration and research. That proposal was not accepted by the federal government. It wasn't encouraged, as far as I know, by Ontario, and Alberta didn't accept it. So that was the end of the proposal.

Hon. Mr. Timbrell: We didn't accept it, nor did Manitoba and BC accept it at the time either, and you will recall who was in power in those two provinces at the time. The reason we didn't accept it was a basic philosophical distinction between your party and ours and between that same party in Saskatchewan and ours. That proposal was saying we'll set up a board made up of representatives of the provinces and of the federal government and they will decide where the exploration will go on. We think that, obviously, government has a role in terms of environmental regulations, in terms of taxation and royalty rules to manipulate or manoeuvre development in the country. But the government has no business being in a business it doesn't know anything about.

Ms. Gigantes: Research and exploration are things one might not consider as ordinary business.

Hon. Mr. Timbrell: With respect, if you look at the reports of Mr. Blakeney's press conference here in Toronto—that would have

been the end of April or thereabouts—and his comments in the Chateau Laurier the night before or the morning of the first ministers' conference on pricing—

Ms. Gigantes: I was at that conference. I interviewed Mr. Blakeney.

Hon. Mr. Timbrell: What he was talking about was the government's taking over exploration in the country rather than the private sector. And I recognize that is a basic philosophical distinction between yourself and myself and your party and mine.

Ms. Gigantes: Since we are on the subject, there is some reason to believe that would be a very useful thing. If we look back over the records of the five biggest oil companies in Canada during the period from 1972 to 1975 and try to estimate whether their net income increases are at all reflective of the amount of exploration they are doing, I don't think you can come to any conclusion that they are.

For example, between 1972 and 1975 Imperial Oil's net income rose by 65.6 per cent. In 1972 Imperial Oil spent \$74 million on exploration. In 1975 Imperial Oil spent \$74 million on exploration.

I think there is an indication that it would be well for governments in this country, including our own, to look at figures like this and try to estimate whether we shouldn't have a public agency promoting the exploration of the kind of conventional sources that Dr. Isbister is talking about. That is our only possibility if we are going to avoid getting totally caught up into the locked-in, long-term, expensive projects that he is concerned about.

Hon. Mr. Timbrell: You are quoting, I take it, from the Waffle book on Imperial Oil?

Ms. Gigantes: I'm quoting—

Hon. Mr. Timbrell: We do have in place in the country a publicly owned petroleum corporation known as Petro-Canada.

Ms. Gigantes: Your Conservative confrères are committed to its destruction if they come to power in the federal government.

Hon. Mr. Timbrell: No.

Ms. Gigantes: Yes, they are. Mr. Walter Baker said that in my presence three months ago, and Joe Clark said it very recently.

Hon. Mr. Timbrell: I don't answer for any other branch of my party in any other part of the country or at the Dominion level.

Ms. Gigantes: I find it strange for you to be talking about this as an element of public participation when—

Hon. Mr. Timbrell: I haven't even begun. I said it exists and all of a sudden you presumed what I was going to say.

Ms. Gigantes: Let me not presume.

Hon. Mr. Timbrell: Okay. Regarding some of the information you asked about yesterday—there were four points—on the business of the share of the revenue per barrel—

Ms. Gigantes: I didn't ask those questions. Mr. Makarchuk did.

Hon. Mr. Timbrell: Oh, was it? Yes, and we did get into that yesterday. The point is that relative to the government take, the royalty and tax systems in the country have not been used in a way to encourage exploration.

Ms. Gigantes: That's true.

Hon. Mr. Timbrell: You mentioned 1975. But look at the changes that occurred between mid-1974 and late 1974 at the taxation and royalty levels and relate those to exploration decisions, which as I understand are not the kind of things where you decide today that you are going to drill a hole tomorrow; you work ahead many months, if not several years, on a schedule. Given the tremendous uncertainty that was created by very significant changes in 1974, after the conference in the spring at the provincial level and the federal budget in November 1974, there was tremendous uncertainty right across the country. This book deals with the six largest ones, but this uncertainty was not just among them; I think we tend to forget there are hundreds of companies in this country whose sole business is to explore for, and to bring into production, oil and natural gas. I forget the percentage, but I doubt if the six big ones produce 50 per cent. What would the figure be? Does anyone know?

[3:45]

Dr. Button: They certainly produce less than 50 per cent of the natural gas.

Hon. Mr. Timbrell: The point is that a good share, if not more than half—I think it is more than half—is the work of very small companies, some of them with as few as four, five or six people, who hire rigs and crews and move around the country.

Ms. Gigantes: They went south.

Hon. Mr. Timbrell: A lot of them did go south. When you see a company like Ranger Oil, which is a Canadian company, commit the bulk of its activities to the North Sea for the next 20 years—and this happened at the time—you have got to look at it and say that something is amok here; there is no incentive. Either that or things are so uncertain that nobody's prepared to make the kind of decisions that are necessary.

In 1976 all reports are that exploration is up. Things have settled; the royalty increase in 1975 was set at 50 per cent and there have been no tremendous changes in the federal tax situation. Some confidence in the country has been restored and exploration is up. There is also the flowback of revenue from the natural gas export tax—there is another term for it, but I'll use that for now—which has encouraged more exploration for gas in the western sedimentary basin.

All these are positive things that have happened in the last year and a half, and I am encouraged to see them. But it comes down to a basic philosophical question. I know that your party at all levels is committed to the nationalization of the resource industries. I have to look at that kind of position and ask, what is that going to get for the people, other than the big bill that they have got to pay, first of all, to buy them? How much more oil will that put into our system? How much more gas will that put into our system?

I have read Mel Hurtig's speeches and I have read Tommy Douglas's speeches, but nowhere do I see an indication of the advantage. They say, "Well, we'll know all the details." What details? What do they want to know that isn't already available through governments, through combines investigation branches or through royal commissions? For instance, the Isbister commission had 50-odd exhibits and 5,000 pages of testimony, or something like that, on the financial affairs of the companies that were interviewed there.

Just what advantage is nationalization going to give to my constituents in Don Mills or to yours in Carleton East? Given the track record of nationalized business in socialist countries, I don't see that there is going to be any advantage at all to the people of this province or this country. I have said repeatedly that it may well be, and probably is, that the tax and royalty structures should be used in such a way as to almost force, if necessary—and I don't think it is necessary—extended exploration and development in the country. But I have yet to see any indication of what government could do that

would benefit the people any more than an enlightened free enterprise competitive market system with judicious amounts of government involvement and control.

Ms. Gigantes: Mr. Minister, we have been "took." You know we have been "took." My mother knows we have been "took." Even my kid knows we have been "took."

Hon. Mr. Timbrell: Well, you have been misleading your kid.

Mr. Williams: Mr. Chairman, a supplementary on the Syncrude matter, which was discussed at some length: Mr. Minister, you indicated to some extent how it's benefiting people in this province as far as providing job opportunities and so forth, but I'm not exactly clear how the province is monitoring our interest in that project. Do we have on-site people observing what's going on? Could we have a clear understanding of that?

Ms. Gigantes: Mr. Chairman, I still have some questions that I never got round to discussing.

Mr. Williams: This is supplementary to the one point you were discussing. I'd like some further feedback on it.

Ms. Gigantes: As long as it doesn't involve slides.

Mr. Williams: You don't like slides? You'd rather have movies?

Ms. Gigantes: No, I'd prefer not to have slides.

Hon. Mr. Timbrell: We haven't got any slides for this, but we can get them, though.

Mr. Williams: As has been indicated, we have quite a heavy investment there. I am just not clear how we are monitoring that thing and how frequently we are getting reports on our involvement in that project.

Hon. Mr. Timbrell: There is a board of directors of Syncrude and my deputy, Mr. Rowan, who also acts as president of the Ontario Energy Corporation, is a member of the board of Syncrude.

There is a management committee of the project, on which we have representation, and there are a series of subcommittees.

There is a legal subcommittee; the lawyer is Mr. George Whyte, who is with the firm of McMillan, Binch, who have been our solicitors throughout the project.

There is an accounting subcommittee, with a Mr. Spence, who is with the firm of Deloitte, Haskins and Sells, who have been

our accountants on the project. There are audit and tax subcommittees; a Mr. Taylor from Deloitte, Haskins and Sells represents us there.

The finance subcommittee has Mr. George McIntyre, who is executive director of the treasury division of the Ministry of the Treasury, Economic and Intergovernmental Affairs, as our representative.

There is a property tax subcommittee; Mr. Pat Gillis, who is executive director of the assessment division of the Ministry of Revenue, is our representative on that subcommittee.

There is an insurance subcommittee; Mr. Gary Vamplew, who is manager of the insurance and risk management division of the Ministry of Government Services, represents us there.

There is a housing subcommittee. Mr. Stan Procter, who is director of the land co-ordination branch of the Ministry of Housing, represents us there.

Then there is a pipeline subcommittee on which Mr. David Furlong, who is a private consultant to the Ontario Energy Corporation, is our representative.

We also have other advisers within the provincial government on whom we call from time to time to advise us on such things as mining, geology, environment, economics, marketing and utility planning.

We are therefore involved in all aspects, through the various subcommittees, the overall management committee of the project and the board of directors.

The gentleman in my ministry who is directly responsible to the Ontario Energy Corporation, and to the ministry therefore, for the overall co-ordination of the project, is Mr. Peter Lamb. If you have any further questions, perhaps he could answer them.

Mr. Williams: Certainly all the bases are covered, but coming specifically to the management committee end of it—this really gets down to the nitty-gritty operations of the whole project—do we have people in the field, in effect, who are up there monitoring what progress they are making?

I presume there are certain time schedules that they are committed to meet in terms of going into production or on production and so forth. Who is feeding that information back to us?

Hon. Mr. Timbrell: That is the job of the management committee. Perhaps Mr. Lamb could comment further.

Mr. Lamb: Yes, I apologize. I was out when you started this. The management committee has the overall policy responsibility for the construction of the project and the eventual management of the operation when it goes into operation.

There is an organization called Syncrude Canada Limited, which is a large organization that is expanding to take over the operations. They do all the day-to-day control of the managing contractors and the related activities. As participants, we receive reports from them every month. We also meet together monthly as a management committee to hear from the Syncrude management people about decisions that have to be made by the participants and a report on the progress of the project itself.

Mr. Williams: As far as the field operations are concerned, are they on target with their projections?

Mr. Lamb: They are now back within a week, I think, of the original schedule. In other words, they have caught up on the three or four weeks' slowdown which they incurred when Arco pulled out of the project back in 1974-1975. Essentially we are back on target for a start-up in April 1978.

Mr. Williams: Just one last question on this, if I might: At the time of the start-up, how much oil would they be bringing out of the site on a per diem basis? What are the initial start-up production projections?

Mr. Lamb: I don't have the precise figures, but I can get them for you. We run up to full production over a period of about five or six years, full production being around 125,000 barrels a day. During the first year, I believe the production will be around 40,000 to 50,000 barrels a day.

Mr. Williams: Just one further point: The transportation will be entirely through pipelines. Is that correct?

Mr. Lamb: That's correct.

Mr. Williams: And they are presently being installed at this time?

Mr. Lamb: Yes. The permit to construct was approved by the conservation board in Alberta and it is either beginning construction or will be beginning very soon.

Mr. Chairman: Ms. Gigantes?

Ms. Gigantes: Thank you, Mr. Chairman. I would like to go back to the question of royalties, because I think the minister is fol-

lowing in a long tradition, extending over the last few years in Ontario, of taking the position that the royalty moneys being collected by the federal government, for example, are somehow illegitimate moneys.

Hon. Mr. Timbrell: They don't collect royalties—

Ms. Gigantes: Well, they collect the taxes.

Hon. Mr. Timbrell: —except in the territories.

Ms. Gigantes: When you speak of putting money straight into the federal coffers out of domestic production, it makes it sound like a ripoff. But much as I disapprove of what I consider to be a non-existent federal energy policy, that money is being used by the federal government to subsidize imported oil prices—

Hon. Mr. Timbrell: No. The compensation fund is made up of revenues derived from two sources. One is the export tax, which varies roughly from \$3.50 to \$4.50 per barrel, depending on gravity and type of crude, and the 10-cent-a-gallon excise tax which you and I pay at the pump.

The revenues derived from federal taxes on the companies—which went up considerably when they removed the deductibility of royalties as a cost of doing business—go straight into the federal coffers.

Ms. Gigantes: And go to try to meet the \$4.6-billion trade deficit we had in oil in the last year.

Hon. Mr. Timbrell: No. There are only two sources—the export tax and the excise tax. I don't remember the figures, but I think they are still running a surplus in that account.

Ms. Gigantes: Our situation is that the federal government is providing vast sums of money—I'm not sure of the current rate—to subsidize oil prices for one price across Canada—

Hon. Mr. Timbrell: Yes, which we support.

Ms. Gigantes: —and, second of all, the federal government is facing a trade imbalance in oil of \$4.6 billion over the last year. It's not as if these moneys collected by the federal government are some kind of rip-off.

Hon. Mr. Timbrell: That's right. They've got three sources of money related to crude. They've got the federal taxes, they've got the export tax, and they've got the excise tax. The latter two go into the compensation fund

and are used to compensate the refineries in the provinces of Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. Because they are compensating refineries in those provinces, therefore they assist the areas of our province that are supplied from those refineries. But the first of those three which I mentioned is not going into the compensation fund. I repeat, it is not going into that fund.

Ms. Gigantes: I heard you the first time you said it.

Hon. Mr. Timbrell: Okay. I wasn't sure.

Ms. Gigantes: I made an additional point that we are facing a federal trade imbalance in oil of \$4.6 billion. Whatever Alberta does with its royalties—

Hon. Mr. Timbrell: Whatever trade imbalance there is, the taxes are not being applied to it. It is an imbalance between import and export, and it is not in any way lessened, relieved or ameliorated by those revenues.

Ms. Gigantes: I think that is a very short-sighted view of how fiscal policy works.

Hon. Mr. Timbrell: It's fact. There is a trade imbalance—I grant you there is a trade imbalance in a variety of commodities—but federal tax revenues are not applied to lessen the imbalance.

Ms. Gigantes: That trade imbalance exerts pressures on our federal economy which have to be met; they are met with general revenues.

[4:00]

Hon. Mr. Timbrell: But they don't go straight to the traders involved in any one commodity or service.

Ms. Gigantes: I never suggested that.

Hon. Mr. Timbrell: If you are suggesting that they go into equalization payments to other provinces, into social benefits to people around the country, into regional development projects around the country, into building Mirabels or whatever—

Ms. Gigantes: They go into whatever areas the federal government must spend money.

Hon. Mr. Timbrell: Yes. That's a funny way to get at it, but okay.

Ms. Gigantes: Thank you. It's not as if this money is somehow being pocketed and run away with by the federal government for illegitimate purposes.

Hon. Mr. Timbrell: Listen, when they have got a cash requirement this year of over \$5 billion, you are damned right it's not being pocketed.

Ms. Gigantes: Alberta's royalties are another question. The level of money that Alberta is getting out of current production is something that is questionable, and over the next few years it's going to create strains in Confederation, which Ontario, among other provinces, is going to have to deal with.

Hon. Mr. Timbrell: Each of the provincial governments and the federal government takes the position that it's entitled to its fair share. Fine. We don't argue with that as a base statement. Where it becomes difficult, I guess, is in the definition of what is fair. In Saskatchewan—and someone can correct me if I'm wrong—I believe the royalty is 100 per cent over \$3.80; that is, the increments over \$3.80 in the price of crude oil are subject to a 100 per cent provincial royalty in the province of Saskatchewan today.

In the province of Alberta there are different rates of royalty related to the increments from \$3.80 to \$6.50 to \$8 to \$9.05, but the average is 38 per cent.

Ms. Gigantes: The sums of money are very different.

Hon. Mr. Timbrell: They're very different because things have dried up in Saskatchewan.

Ms. Gigantes: They're different because Alberta has oil, while Saskatchewan has very limited supplies of oil which Saskatchewan has had trouble selling. It's not the type of oil we're looking for in vast quantities here in Ontario.

Hon. Mr. Timbrell: The only type of oil that I've heard anything about Saskatchewan having difficulty in selling is Lloydminster crude. It's a very heavy oil and they've had difficulty marketing it from time to time. It's a straight question of demand; there have been months when there's been no demand for Lloydminster crude, but other months when they've sold all kinds of it. The federal government adjusts the export tax accordingly to try to encourage purchasers in the United States to buy the Lloydminster type of heavy crude oil.

Saskatchewan is not, by any stretch of the imagination, a province poor in gas and/or crude oil. I'm not going to get into a discussion of Saskatchewan's policies, but I suggest to you that their royalty policy of tak-

ing 100 per cent of the increments over \$3.80 is not exactly what you would call an encouragement to development in the province.

Going back to the question of the federal government's take, if you will, while it's true it's just not being pocketed in any of the cases, it is also not doing anything to regain domestic self-sufficiency.

Ms. Gigantes: I agree. I think the policies we're following are very short-sighted in this regard, and I try to reinforce the fact by pointing out that Dr. Isbister is suggesting the same thing.

Could I say one other thing? I just want to make sure it's on the record that the federal policy of the NDP—and this time I hope I get the policy correct—

Hon. Mr. Timbrell: Can I ask you one question on what you just said?

Ms. Gigantes: No, let me get this on the record or else I'm going to forget it—and it really ought to be on the record.

Hon. Mr. Timbrell: Is it a good line?

Ms. Gigantes: It's not bad. Our federal policy is that we should nationalize one of the major oil companies. That doesn't seem to me to be excessive; nor do I think most people of Canada would think it excessive.

Mr. Williams: That's discrimination, Ms. Gigantes. What about the Ontario Human Rights Code?

Hon. Mr. Timbrell: I think we ran around that mulberry bush before in terms of whether the people are going to benefit. We could, if you want, talk about foreign ownership and that sort of thing and the kinds of things that I think we as a nation should be striving for in terms of repatriation of a variety of companies—not through nationalization, but through a conscious commitment at all levels to do it. I think we could probably agree on a lot of things. But while I try not to let my Tory-blue blinkers get in the way—and I'm sure you feel we wear them all the time—I look at the proposition and say, what's in it for the people? And what's in it for the people is a hell of a big bill and no benefit. There wouldn't be another drop of oil in the system through nationalization of one company or all the companies.

Ms. Gigantes: We disagree on that, Mr. Minister.

Hon. Mr. Timbrell: Well, I suspected that we would.

Ms. Gigantes: I would like to reiterate the kind of—

Hon. Mr. Timbrell: Will you let your line out? I had a question.

Ms. Gigantes: Yes. Good.

Hon. Mr. Timbrell: You said earlier that you agree the policies we are following are not right. Who are "we"? In Ontario, first of all, it's not our oil. We have very little oil in the province, our royalties are 12½ per cent.

We do encourage exploration in the province, and in any given year you'll have 30 or 40 exploration activities going on around the province. Unfortunately, our Leduc was at Oil Springs. I believe in 1857, and through a variety of mistakes and crude extraction techniques, a lot of the potential of this province was destroyed in the last century. On balance, therefore, we produce about one per cent, plus or minus points of a decimal, of our crude oil and natural gas.

We are dependent on outside sources. Under the constitution, that oil is Alberta's, Saskatchewan's, Manitoba's or whosoever, but the bulk is in Alberta. In the Territories, it belongs to all of us in the country.

We have consistently put forward concerns about the effect of the pricing policies in this country over the last two and a half years, particularly in the last year and a half. We have also put forward alternatives—never saying to anybody else in the country, "Look, Ontario's got all the answers. The rest of you can go home; we'll straighten it out," but rather that there's got to be a better way.

In 1974 the stated objectives of increasing the price of a barrel of crude oil from \$3.80 to \$6.50 were to do something about domestic self-sufficiency and to encourage exploration. It did neither, because along the way 90 per cent of the increased revenue was taken by governments. That increase generated \$1.8 billion of additional revenue in that year. The provinces took \$1.1 billion and the federal government took \$600 million, which left \$100 million of the increase to the industry—all of the industry. Again I emphasize that was not just for the large integrated but for the entire industry. So it didn't meet the objectives.

The increase not having met the objectives, Ontario set about to come up with some alternatives. That's one which we think will work. That's one which is aimed at trying to retard, if not reverse, the drift towards greater dependency on offshore crude. It's aimed at encouraging the development of Canadian

resources. It's aimed at keeping us in a competitive position with American industry.

Obviously as part of that, if something like that were to come about, the producing provinces and the federal government would have to sit down and talk about their takes from the barrel and, if either or both of them were to back off, what kinds of demands they would place on the industry as a whole for the use of those funds. As I've said around the conference table many times, obviously you would want to have in place some kind of tax or royalty rules that would ensure that if you're going to back off from any amount of federal tax or provincial royalties, that money will be used for exploration. We accept that. That's only reasonable—

Ms. Gigantes: What do you mean you accept it? There's no policy in place that would enforce it.

Hon. Mr. Timbrell: There is a national policy right now which says that we're going to move towards world oil prices. We disagree with that.

Mr. Gigantes: But there is no mechanism, and none has been suggested for Ontario, by which we monitor the amount of exploration and development in those areas that Dr. Isbister is asking us to encourage exploration and development.

Hon. Mr. Timbrell: Perhaps Mr. Clendinning could come forward and talk about the kind of data filed on exploration in this province and nationally. It might be illuminating for the committee if he could describe the kind of information which, when you're in the exploration business, you are required to file under various permits which are granted by whatever authority in whatever part of the country.

Mr. Clendinning: You're speaking of technical, drilling, production data in use in Ontario and, I assume, Alberta or wherever the action is going on.

Hon. Mr. Timbrell: Or the Territories.

Mr. Clendinning: The requirements vary by jurisdiction, but in general terms it is necessary to make available to the authority, provincial or federal as the case may be—aside from getting the drilling licence, the permission to drill on the site, etc.—all records that are kept, all tests that are made, all cores, all drill samples, all other electronic and other types of well records that are made for the benefit of the explorer in terms of assessing the value of the exploration effort

and, of course, the potential producibility of any of the formations that are penetrated.

All of this information not only is used by the explorer for his own purposes, but he must file the results and the material itself—the cores, if there are cores, the results of the drilling process and, as I said, all other electronic testing and so on that is done—so that, in effect, the records of the jurisdiction contain the same data, geological and otherwise, that the explorer has.

In the case of Alberta, where the largest amount of oil and gas production currently is located, all this information is independently assessed—reassessed, if you wish—on a by-well and by-field basis. As a result the Alberta Energy Resources Conservation Board is in a position to make its own forecasts of reserves and producibility, both for gas and for oil, which they do and which they make available. This is perhaps digressing, but they do make their forecasts available to the National Energy Board in its deliberations on total supply.

Was that what you had in mind, Minister?

Hon. Mr. Timbrell: I think so.

Ms. Gigantes: That answers the question of what is done when it's done. It doesn't answer the question of what perhaps should be done and what we should do when it's not done. We don't have any way of ensuring that prices we agree to at a federal-provincial conference are going to affect exploration and development in Ontario.

Hon. Mr. Timbrell: I know two alternatives that your party supports. One is to nationalize an integrated company and the other—I don't know if this one is supported by your provincial party but it has come from another of your provincial parties—is to set up a national exploration fund, which would be overseen by a board drawn from the provinces and the federal government. Other than that, I haven't heard what your alternatives would be.

I would say that basically there are two things that Ontario, as the largest customer, can do in an aggressive manner to affect supply in the country. The first is to take some very strong positions at federal-provincial conferences. This we have done to try to influence and to shape, in a different direction than is presently the case, national crude oil pricing policies. The second thing we can do is in the area of investment; and there, to the limits of the capitalization of the corporation, we have carried on in what I consider to be a rather aggressive manner

blank—secondary and tertiary recovery. Now I've lost my train of thought. Anyway, the point is that is going on, do you see?

Ms. Gigantes: Could we discuss some of the points that you've raised here?

Hon. Mr. Timbrell: Sure.

Ms. Gigantes: I don't think there's any point in our going back over the mistakes that have been made in the past. Clearly our federal energy policy has been mistaken. We have to ask ourselves, though, why it was mistaken. I don't intend to launch into a great lecture on it, but our federal energy policy on oil was mistaken basically because the federal government was not getting the same information in 1972 as it started to get in 1974. We all know that. Everybody can discuss it at any coffee stand in this country. Everybody recognizes that.

What we have to ask ourselves is, are we permitting the same sort of mistake to guide our policies now? Let me discuss this not just in the context of Ontario for the moment. There is now a policy on the part of the American government to create self-sufficiency in oil in the United States, and that can mean the prices in the United States will rise to a very high level.

The traditional alliance between the oil companies and the kind of Republican government we've had over the last few years, during the period when this policy was created in the United States, is well known and well established—

Hon. Mr. Timbrell: I'm not going to defend the Republicans, but can I tell you just one thing that intrigued me? When they set up the agency to oversee their two-price system—I don't know whether it was a presidential order, an administrative order or whatever—and this caused some of the problems with their system, they specifically laid down the rule that they would not hire people from the petroleum industry, they would not hire people with that background. They would hire accountants and economists and so forth, outside of that ambit, with no experience there; and that caused them a lot of problems.

Ms. Gigantes: But the decision that is being made can be, as in the past, a decision which will benefit the oil companies and not benefit consumers. It's a decision also, Mr. Minister, let me suggest to you, which really creates possibilities which can call into question your suggestion for a blended oil price. Because if you're simply saying we shall pay for domestic sources of oil as long as those

domestic sources don't cost us any more than the United States oil, that is to shift the problem further down the line, because that can mean anything.

Hon. Mr. Timbrell: What it means is simply this—

Ms. Gigantes: The same oil companies which can benefit under an oil self-sufficiency policy in the United States can benefit as an off-shoot here if oil prices rise in the United States. They are also the same oil companies which will be selling us the imported oil. Whatever the sheiks do, the oil companies have not strangled and fallen gasping to the ground since OPEC began its maneuvers. They've done very, very well. This policy of OPEC raising prices has not hurt the oil companies. They get the same percentage of a bigger pie, a bigger money pie.

Hon. Timbrell: I think—

Ms. Gigantes: They can get us on two fronts; domestically, through the United States' door, and also on imported foreign sources of oil.

Hon. Mr. Timbrell: I think if royalties and taxes in the country were the same as they were prior to OPEC's maneuvers, then obviously, with the increases there have been in the country, there would have been tremendous windfalls. What has happened is that the government take in royalties and federal taxes has gone up astronomically.

But you know, you mentioned the United States and I think at the time of the embargo—three years ago—the United States was importing about 35 or 40 per cent of its oil. Today, the United States is importing more than 50 per cent of its oil. You can put down a number of reasons but, for instance, the government of the United States doesn't have a policy on the development of the Colorado oil shales. I maintain our government doesn't have a policy on the development of the Athabasca tar sands. I damn them both for their lack of foresight. They really don't have a policy on the development of some of their reserves, and what's going to be done about them.

So I don't look to the United States as the source of wisdom on this account.

Ms. Gigantes: As you know, Mr. Minister, there are thoughtful critics on the energy question in the United States who would question a commitment to the tar sands, to the coal sands.

Hon. Mr. Timbrell: To the oil shales.

Ms. Gigantes: The oil shales. I get all these terms confused. But the kind of project that that involves, because it involves making the kind of decision that Isbister has warned us against getting ourselves locked in. You know, the Americans getting themselves locked into the production of oil through very expensive, high technology methods.

Hon. Mr. Timbrell: But the alternative, surely—this is the dichotomy that Dr. Button referred to. On the one hand Isbister is telling us, move with all dispatch and do all kinds of new things—

Ms. Gigantes: He says selectively, in terms of financing—

Hon. Mr. Timbrell: Okay. Selectively, but be careful not to lock yourself in.

Ms. Gigantes: He says plan; be careful not to lock yourself in in terms of your commitments of money.

Hon. Mr. Timbrell: Okay.

Ms. Gigantes: Be careful not to commit yourself, to lock yourself in in terms of planning. I'm suggesting that maybe that's what we're in the process of doing. That's what he is suggesting.

Hon. Mr. Timbrell: Okay, well you see it's now two years since the Energy Corporation was established in the province, and the whole purpose of that corporation, again we are overlapping, was to allow Ontario the ability to invest in projects which would serve the needs of the people of Ontario in assuring future supplies. Shortly after the creation of the Energy Corporation the Syncrude problem reared its ugly head and we invested in that. We've also invested in the polar gas study, which, as you know, is eventually to bring gas from the eastern Arctic islands, and perhaps oil—there have been some encouraging signs of oil—to the southern markets. That's what we're doing.

[3:30]

Ms. Gigantes: At what prices? That is one of the things Dr. Isbister is suggesting, where I have to agree with him. We have to say at what price?

Hon. Mr. Timbrell: With respect, I think if you take his two comments, then you can agree with almost anything.

Ms. Gigantes: No, I disagree with you on that.

Hon. Mr. Timbrell: The combination and permutations of his two comments can lead

you to any conclusion you want. You can start with the conclusion and then apply his comments and they'll justify it. It is a matter of judgement, it's a matter of looking—

Ms. Gigantes: We know what the oil companies want us to do. They want us to invest in Syncrude. They have wanted us to behave in certain ways in terms of policy planning in the past. Those ways have turned out to be a disbenefit to us, as we now know.

Hon. Mr. Timbrell: It was not the oil companies which invited Ontario to get into Syncrude. In December, 1974, Mr. Dickie, the then Minister of Mines and Minerals of Alberta, sent telegrams to all of the provincial governments, asking them if they would be interested in participating in the Syncrude project. Ontario was the only one to respond. We expressed an interest. Before we even got to the point of saying we would go into it, we tried to get other companies in the private sector to go into it. It came back again to pricing policies in the Dominion, and we weren't able to do that. When it came down to the final days before Winnipeg, it was made very clear to us by both the Alberta government and by the Dominion government, even though Ontario couldn't consider an investment of more than five per cent, they wanted us in it.

Ms. Gigantes: The Dominion government in the past has made mistakes. You don't certainly go on their reference to make a decision?

Hon. Mr. Timbrell: Excuse me, I'm not finished. They wanted us in (a) because we are the biggest consumers in the country, and (b) because, given our previous track record, they looked to us as a stabilizing force, and that has proven to be the case.

Ms. Gigantes: If Alberta pursues a mistake in policy, it doesn't mean that we should too. Just because the government of Alberta invites us to join in a policy it doesn't mean that it doesn't reflect what the oil companies want. You know what the oil companies want. They want Syncrude and that's what they're getting.

Could I pick up on one other point which you keep referring to?

Hon. Mr. Timbrell: Can I just respond to that, please? That does get back to point F on page two, which you referred to earlier in Isbister's report, that Ontario has all the bargaining power of a large consumer and needs mainly to use it. My perception of Alberta policy is that so far as the tar sands

are concerned they don't have a policy. In fact, I think if you checked Hansard and so forth in Alberta, you'll find that the Premier of that province and the last two ministers responsible for energy would take the position that there are resources so just let them develop sort of in the fullness of time.

We take the position, and that seems to be almost the position of the federal government, that the tar sands are an important resource to this country and should be developed with all dispatch. To add credence to that position, it was then decided we would take part in a project which I think would have been shelved. The government of that province was quite prepared to see the project shelved and eventually put back together perhaps in a few more years. Looking at future supply prospects for the country, we feel that it was vital to keep Syncrude on the line.

There's another consideration which is not inconsiderable, that is, the fact that to date over \$200 million in orders for equipment for Syncrude have been placed in the province of Ontario. It also meant jobs in Ontario, it meant jobs in London, it meant jobs in Owen Sound and it meant jobs all over the province. That was a consideration as well.

Ms. Gigantes: Yes, but we don't use our energy policy to create an employment policy. If we're going to create an employment policy, we look at that.

Hon. Mr. Timbrell: Hopefully, if we move back more towards domestic self-sufficiency with the investment of the billions of dollars that we're talking about and with future supplies being more and more in Canada and less and less going offshore, then you are talking about jobs. That's got to be a consideration.

Ms. Gigantes: But those are not long-term jobs and that's not a long-term employment policy.

Hon. Mr. Timbrell: If you're talking about the long-term development of the tar sands, it sure is. You're talking about employment for thousands of people for a long time into the future as long as there is an orderly development schedule that guarantees or states officially that after Syncrude there will be more developments. Right now there's nothing planned after Syncrude.

Ms. Gigantes: I would agree with you that the Alberta government does not have an energy policy.

Hon. Mr. Timbrell: No, I didn't say that. They have a very definite energy policy. In

this field—and Don Getty would disagree with that—my perception of that policy is that it's a policy of we'll see what happens. I won't presume to write policy for Alberta, but I'm saying for Ontario and for the Dominion, the tar sands should be developed in an orderly manner and not just left to see what's going to happen.

Mr. Reed: Would I be out of order asking a question about the tar sands at this point? It is just for clarification. Do you know at this point what the projected cost per barrel is looking like now from Syncrude.

Hon. Mr. Timbrell: We are looking at about \$12 a barrel.

Mr. Reed: Is that the cost before any government claims or anything? Is that the actual cost of production?

Hon. Mr. Timbrell: That's throwing in the costs of royalties. Part of the agreement, as you recall, was that Syncrude would have access to world prices. We'd be moving towards world prices from that point.

Ms. Gigantes: I will put on record that I think that Alberta doesn't have an energy policy of its own. I think its energy policy reflects the policies of the oil companies with which it deals. I will put on record the fact that I don't think the Canadian government has an energy policy of its own.

Hon. Mr. Timbrell: I wish to adjourn that to Edmonton and Ottawa. I'm not going to defend that.

Ms. Gigantes: I will also state at this point that I think your description of Alberta's interest in Syncrude is a false one. You can read newspaper accounts of the time when the Syncrude project was in doubt that describe the Alberta minister scurrying from hotel room to hotel room and hurried meetings, desperate consultations and great fear that that project was going to fall through. They desperately wanted it and they got us sucked into it.

Hon. Mr. Timbrell: There's a difference between reading newspaper accounts and having been there. You have done the reading. I was there.

Ms. Gigantes: I think the times we're talking about are different times.

Hon. Mr. Timbrell: No. I was in Edmonton in January, 1975, shortly after becoming Energy Minister. The Treasurer (Mr. McKeough) and I went out for some of the

initial discussions with the then Minister of Mines and Minerals and the then Minister of Intergovernmental Affairs who is now the Minister of Energy and Resources. I was in Ottawa for discussions a few days after that with the then Minister of Energy, Mines and Resources who is now the Minister of Finance. I was in Winnipeg with the Premier (Mr. Davis) and the Treasurer. I was in those hotels. You make it sound like scared jack-rabbits running all over the hotels; it wasn't that at all.

Ms. Gigantes: I will bring you the account that I have of the whole negotiations.

Hon. Mr. Timbrell: The newspaper.

Ms. Gigantes: Yes. I would like to make a comment, if I could, about your comments on royalties. I would agree that the kind of royalties that Alberta is getting are of no benefit to the rest of Canada.

Hon. Mr. Timbrell: Or Saskatchewan.

Ms. Gigantes: Yes, but Saskatchewan, as you'll recollect, had a policy proposal to put before the federal-provincial conference on what use to make of those royalties. Saskatchewan proposed that they be invested in a public agency for exploration and research. That proposal was not accepted by the federal government. It wasn't encouraged, as far as I know, by Ontario, and Alberta didn't accept it. So that was the end of the proposal.

Hon. Mr. Timbrell: We didn't accept it, nor did Manitoba and BC accept it at the time either, and you will recall who was in power in those two provinces at the time. The reason we didn't accept it was a basic philosophical distinction between your party and ours and between that same party in Saskatchewan and ours. That proposal was saying we'll set up a board made up of representatives of the provinces and of the federal government and they will decide where the exploration will go on. We think that, obviously, government has a role in terms of environmental regulations, in terms of taxation and royalty rules to manipulate or manoeuvre development in the country. But the government has no business being in a business it doesn't know anything about.

Ms. Gigantes: Research and exploration are things one might not consider as ordinary business.

Hon. Mr. Timbrell: With respect, if you look at the reports of Mr. Blakeney's press conference here in Toronto—that would have

been the end of April or thereabouts—and his comments in the Chateau Laurier the night before or the morning of the first ministers' conference on pricing—

Ms. Gigantes: I was at that conference. I interviewed Mr. Blakeney.

Hon. Mr. Timbrell: What he was talking about was the government's taking over exploration in the country rather than the private sector. And I recognize that is a basic philosophical distinction between yourself and myself and your party and mine.

Ms. Gigantes: Since we are on the subject, there is some reason to believe that would be a very useful thing. If we look back over the records of the five biggest oil companies in Canada during the period from 1972 to 1975 and try to estimate whether their net income increases are at all reflective of the amount of exploration they are doing, I don't think you can come to any conclusion that they are.

For example, between 1972 and 1975 Imperial Oil's net income rose by 65.6 per cent. In 1972 Imperial Oil spent \$74 million on exploration. In 1975 Imperial Oil spent \$74 million on exploration.

I think there is an indication that it would be well for governments in this country, including our own, to look at figures like this and try to estimate whether we shouldn't have a public agency promoting the exploration of the kind of conventional sources that Dr. Isbister is talking about. That is our only possibility if we are going to avoid getting totally caught up into the locked-in, long-term, expensive projects that he is concerned about.

Hon. Mr. Timbrell: You are quoting, I take it, from the Waffle book on Imperial Oil?

Ms. Gigantes: I'm quoting—

Hon. Mr. Timbrell: We do have in place in the country a publicly owned petroleum corporation known as Petro-Canada.

Ms. Gigantes: Your Conservative confrères are committed to its destruction if they come to power in the federal government.

Hon. Mr. Timbrell: No.

Ms. Gigantes: Yes, they are. Mr. Walter Baker said that in my presence three months ago, and Joe Clark said it very recently.

Hon. Mr. Timbrell: I don't answer for any other branch of my party in any other part of the country or at the Dominion level.

Ms. Gigantes: I find it strange for you to be talking about this as an element of public participation when—

Hon. Mr. Timbrell: I haven't even begun. I said it exists and all of a sudden you presume what I was going to say.

Ms. Gigantes: Let me not presume.

Hon. Mr. Timbrell: Okay. Regarding some of the information you asked about yesterday—there were four points—on the business of the share of the revenue per barrel—

Ms. Gigantes: I didn't ask those questions. Mr. Makarchuk did.

Hon. Mr. Timbrell: Oh, was it? Yes, and we did get into that yesterday. The point is that relative to the government take, the royalty and tax systems in the country have not been used in a way to encourage exploration.

Ms. Gigantes: That's true.

Hon. Mr. Timbrell: You mentioned 1975. But look at the changes that occurred between mid-1974 and late 1974 at the taxation and royalty levels and relate those to exploration decisions, which as I understand are not the kind of things where you decide today that you are going to drill a hole tomorrow; you work ahead many months, if not several years, on a schedule. Given the tremendous uncertainty that was created by very significant changes in 1974, after the conference in the spring at the provincial level and the federal budget in November 1974, there was tremendous uncertainty right across the country. This book deals with the six largest ones, but this uncertainty was not just among them; I think we tend to forget there are hundreds of companies in this country whose sole business is to explore for, and to bring into production, oil and natural gas. I forget the percentage, but I doubt if the six big ones produce 50 per cent. What would the figure be? Does anyone know?

[3:45]

Dr. Button: They certainly produce less than 50 per cent of the natural gas.

Hon. Mr. Timbrell: The point is that a good share, if not more than half—I think it is more than half—is the work of very small companies, some of them with as few as four, five or six people, who hire rigs and crews and move around the country.

Ms. Gigantes: They went south.

Hon. Mr. Timbrell: A lot of them did go south. When you see a company like Ranger Oil, which is a Canadian company, commit the bulk of its activities to the North Sea for the next 20 years—and this happened at the time—you have got to look at it and say that something is amok here; there is no incentive. Either that or things are so uncertain that nobody's prepared to make the kind of decisions that are necessary.

In 1976 all reports are that exploration is up. Things have settled; the royalty increase in 1975 was set at 50 per cent and there have been no tremendous changes in the federal tax situation. Some confidence in the country has been restored and exploration is up. There is also the flowback of revenue from the natural gas export tax—there is another term for it, but I'll use that for now—which has encouraged more exploration for gas in the western sedimentary basin.

All these are positive things that have happened in the last year and a half, and I am encouraged to see them. But it comes down to a basic philosophical question. I know that your party at all levels is committed to the nationalization of the resource industries. I have to look at that kind of position and ask, what is that going to get for the people, other than the big bill that they have got to pay, first of all, to buy them? How much more oil will that put into our system? How much more gas will that put into our system?

I have read Mel Hurtig's speeches and I have read Tommy Douglas's speeches, but nowhere do I see an indication of the advantage. They say, "Well, we'll know all the details." What details? What do they want to know that isn't already available through governments, through combines investigation branches or through royal commissions? For instance, the Isbister commission had 50-odd exhibits and 5,000 pages of testimony, or something like that, on the financial affairs of the companies that were interviewed there.

Just what advantage is nationalization going to give to my constituents in Don Mills or to yours in Carleton East? Given the track record of nationalized business in socialist countries, I don't see that there is going to be any advantage at all to the people of this province or this country. I have said repeatedly that it may well be, and probably is, that the tax and royalty structures should be used in such a way as to almost force, if necessary—and I don't think it is necessary—extended exploration and development in the country. But I have yet to see any indication of what government could do that

would benefit the people any more than an enlightened free enterprise competitive market system with judicious amounts of government involvement and control.

Ms. Gigantes: Mr. Minister, we have been "took." You know we have been "took." My mother knows we have been "took." Even my kid knows we have been "took."

Hon. Mr. Timbrell: Well, you have been misleading your kid.

Mr. Williams: Mr. Chairman, a supplementary on the Syncrude matter, which was discussed at some length: Mr. Minister, you indicated to some extent how it's benefiting people in this province as far as providing job opportunities and so forth, but I'm not exactly clear how the province is monitoring our interest in that project. Do we have on-site people observing what's going on? Could we have a clear understanding of that?

Ms. Gigantes: Mr. Chairman, I still have some questions that I never got round to discussing.

Mr. Williams: This is supplementary to the one point you were discussing. I'd like some further feedback on it.

Ms. Gigantes: As long as it doesn't involve slides.

Mr. Williams: You don't like slides? You'd rather have movies?

Ms. Gigantes: No, I'd prefer not to have slides.

Hon. Mr. Timbrell: We haven't got any slides for this, but we can get them, though.

Mr. Williams: As has been indicated, we have quite a heavy investment there. I am just not clear how we are monitoring that thing and how frequently we are getting reports on our involvement in that project.

Hon. Mr. Timbrell: There is a board of directors of Syncrude and my deputy, Mr. Rowan, who also acts as president of the Ontario Energy Corporation, is a member of the board of Syncrude.

There is a management committee of the project, on which we have representation, and there are a series of subcommittees.

There is a legal subcommittee; the lawyer is Mr. George Whyte, who is with the firm of McMillan, Binch, who have been our solicitors throughout the project.

There is an accounting subcommittee, with a Mr. Spence, who is with the firm of Deloitte, Haskins and Sells, who have been

our accountants on the project. There are audit and tax subcommittees; a Mr. Taylor from Deloitte, Haskins and Sells represents us there.

The finance subcommittee has Mr. George McIntyre, who is executive director of the treasury division of the Ministry of the Treasury, Economic and Intergovernmental Affairs, as our representative.

There is a property tax subcommittee; Mr. Pat Gillis, who is executive director of the assessment division of the Ministry of Revenue, is our representative on that subcommittee.

There is an insurance subcommittee; Mr. Gary Vamplew, who is manager of the insurance and risk management division of the Ministry of Government Services, represents us there.

There is a housing subcommittee. Mr. Stan Procter, who is director of the land co-ordination branch of the Ministry of Housing, represents us there.

Then there is a pipeline subcommittee on which Mr. David Furlong, who is a private consultant to the Ontario Energy Corporation, is our representative.

We also have other advisers within the provincial government on whom we call from time to time to advise us on such things as mining, geology, environment, economics, marketing and utility planning.

We are therefore involved in all aspects, through the various subcommittees, the overall management committee of the project and the board of directors.

The gentleman in my ministry who is directly responsible to the Ontario Energy Corporation, and to the ministry therefore, for the overall co-ordination of the project, is Mr. Peter Lamb. If you have any further questions, perhaps he could answer them.

Mr. Williams: Certainly all the bases are covered, but coming specifically to the management committee end of it—this really gets down to the nitty-gritty operations of the whole project—do we have people in the field, in effect, who are up there monitoring what progress they are making?

I presume there are certain time schedules that they are committed to meet in terms of going into production or on production and so forth. Who is feeding that information back to us?

Hon. Mr. Timbrell: That is the job of the management committee. Perhaps Mr. Lamb could comment further.

Mr. Lamb: Yes, I apologize. I was out when you started this. The management committee has the overall policy responsibility for the construction of the project and the eventual management of the operation when it goes into operation.

There is an organization called Syncrude Canada Limited, which is a large organization that is expanding to take over the operations. They do all the day-to-day control of the managing contractors and the related activities. As participants, we receive reports from them every month. We also meet together monthly as a management committee to hear from the Syncrude management people about decisions that have to be made by the participants and a report on the progress of the project itself.

Mr. Williams: As far as the field operations are concerned, are they on target with their projections?

Mr. Lamb: They are now back within a week, I think, of the original schedule. In other words, they have caught up on the three or four weeks' slowdown which they incurred when Arco pulled out of the project back in 1974-1975. Essentially we are back on target for a start-up in April 1978.

Mr. Williams: Just one last question on this, if I might: At the time of the start-up, how much oil would they be bringing out of the site on a per diem basis? What are the initial start-up production projections?

Mr. Lamb: I don't have the precise figures, but I can get them for you. We run up to full production over a period of about five or six years, full production being around 125,000 barrels a day. During the first year, I believe the production will be around 40,000 to 50,000 barrels a day.

Mr. Williams: Just one further point: The transportation will be entirely through pipelines. Is that correct?

Mr. Lamb: That's correct.

Mr. Williams: And they are presently being installed at this time?

Mr. Lamb: Yes. The permit to construct was approved by the conservation board in Alberta and it is either beginning construction or will be beginning very soon.

Mr. Chairman: Ms. Gigantes?

Ms. Gigantes: Thank you, Mr. Chairman. I would like to go back to the question of royalties, because I think the minister is fol-

lowing in a long tradition, extending over the last few years in Ontario, of taking the position that the royalty moneys being collected by the federal government, for example, are somehow illegitimate moneys.

Hon. Mr. Timbrell: They don't collect royalties—

Ms. Gigantes: Well, they collect the taxes.

Hon. Mr. Timbrell: —except in the territories.

Ms. Gigantes: When you speak of putting money straight into the federal coffers out of domestic production, it makes it sound like a ripoff. But much as I disapprove of what I consider to be a non-existent federal energy policy, that money is being used by the federal government to subsidize imported oil prices—

Hon. Mr. Timbrell: No. The compensation fund is made up of revenues derived from two sources. One is the export tax, which varies roughly from \$3.50 to \$4.50 per barrel, depending on gravity and type of crude, and the 10-cent-a-gallon excise tax which you and I pay at the pump.

The revenues derived from federal taxes on the companies—which went up considerably when they removed the deductibility of royalties as a cost of doing business—go straight into the federal coffers.

Ms. Gigantes: And go to try to meet the \$4.6-billion trade deficit we had in oil in the last year.

Hon. Mr. Timbrell: No. There are only two sources—the export tax and the excise tax. I don't remember the figures, but I think they are still running a surplus in that account.

Ms. Gigantes: Our situation is that the federal government is providing vast sums of money—I'm not sure of the current rate—to subsidize oil prices for one price across Canada—

Hon. Mr. Timbrell: Yes, which we support.

Ms. Gigantes: —and, second of all, the federal government is facing a trade imbalance in oil of \$4.6 billion over the last year. It's not as if these moneys collected by the federal government are some kind of rip-off.

Hon. Mr. Timbrell: That's right. They've got three sources of money related to crude. They've got the federal taxes, they've got the export tax, and they've got the excise tax. The latter two go into the compensation fund

and are used to compensate the refineries in the provinces of Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. Because they are compensating refineries in those provinces, therefore they assist the areas of our province that are supplied from those refineries. But the first of those three which I mentioned is not going into the compensation fund. I repeat, it is not going into that fund.

Ms. Gigantes: I heard you the first time you said it.

Hon. Mr. Timbrell: Okay. I wasn't sure.

Ms. Gigantes: I made an additional point that we are facing a federal trade imbalance in oil of \$4.6 billion. Whatever Alberta does with its royalties—

Hon. Mr. Timbrell: Whatever trade imbalance there is, the taxes are not being applied to it. It is an imbalance between import and export, and it is not in any way lessened, relieved or ameliorated by those revenues.

Ms. Gigantes: I think that is a very short-sighted view of how fiscal policy works.

Hon. Mr. Timbrell: It's fact. There is a trade imbalance—I grant you there is a trade imbalance in a variety of commodities—but federal tax revenues are not applied to lessen the imbalance.

Ms. Gigantes: That trade imbalance exerts pressures on our federal economy which have to be met; they are met with general revenues.

[4:00]

Hon. Mr. Timbrell: But they don't go straight to the traders involved in any one commodity or service.

Ms. Gigantes: I never suggested that.

Hon. Mr. Timbrell: If you are suggesting that they go into equalization payments to other provinces, into social benefits to people around the country, into regional development projects around the country, into building Mirabels or whatever—

Ms. Gigantes: They go into whatever areas the federal government must spend money.

Hon. Mr. Timbrell: Yes. That's a funny way to get at it, but okay.

Ms. Gigantes: Thank you. It's not as if this money is somehow being pocketed and run away with by the federal government for illegitimate purposes.

Hon. Mr. Timbrell: Listen, when they have got a cash requirement this year of over \$5 billion, you are damned right it's not being pocketed.

Ms. Gigantes: Alberta's royalties are another question. The level of money that Alberta is getting out of current production is something that is questionable, and over the next few years it's going to create strains in Confederation, which Ontario, among other provinces, is going to have to deal with.

Hon. Mr. Timbrell: Each of the provincial governments and the federal government takes the position that it's entitled to its fair share. Fine. We don't argue with that as a base statement. Where it becomes difficult, I guess, is in the definition of what is fair. In Saskatchewan—and someone can correct me if I'm wrong—I believe the royalty is 100 per cent over \$3.80; that is, the increments over \$3.80 in the price of crude oil are subject to a 100 per cent provincial royalty in the province of Saskatchewan today.

In the province of Alberta there are different rates of royalty related to the increments from \$3.80 to \$6.50 to \$8 to \$9.05, but the average is 38 per cent.

Ms. Gigantes: The sums of money are very different.

Hon. Mr. Timbrell: They're very different because things have dried up in Saskatchewan.

Ms. Gigantes: They're different because Alberta has oil, while Saskatchewan has very limited supplies of oil which Saskatchewan has had trouble selling. It's not the type of oil we're looking for in vast quantities here in Ontario.

Hon. Mr. Timbrell: The only type of oil that I've heard anything about Saskatchewan having difficulty in selling is Lloydminster crude. It's a very heavy oil and they've had difficulty marketing it from time to time. It's a straight question of demand; there have been months when there's been no demand for Lloydminster crude, but other months when they've sold all kinds of it. The federal government adjusts the export tax accordingly to try to encourage purchasers in the United States to buy the Lloydminster type of heavy crude oil.

Saskatchewan is not, by any stretch of the imagination, a province poor in gas and/or crude oil. I'm not going to get into a discussion of Saskatchewan's policies, but I suggest to you that their royalty policy of tak-

ing 100 per cent of the increments over \$3.80 is not exactly what you would call an encouragement to development in the province.

Going back to the question of the federal government's take, if you will, while it's true it's just not being pocketed in any of the cases, it is also not doing anything to regain domestic self-sufficiency.

Ms. Gigantes: I agree. I think the policies we're following are very short-sighted in this regard, and I try to reinforce the fact by pointing out that Dr. Isbister is suggesting the same thing.

Could I say one other thing? I just want to make sure it's on the record that the federal policy of the NDP—and this time I hope I get the policy correct—

Hon. Mr. Timbrell: Can I ask you one question on what you just said?

Ms. Gigantes: No, let me get this on the record or else I'm going to forget it—and it really ought to be on the record.

Hon. Mr. Timbrell: Is it a good line?

Ms. Gigantes: It's not bad. Our federal policy is that we should nationalize one of the major oil companies. That doesn't seem to me to be excessive; nor do I think most people of Canada would think it excessive.

Mr. Williams: That's discrimination, Ms. Gigantes. What about the Ontario Human Rights Code?

Hon. Mr. Timbrell: I think we ran around that mulberry bush before in terms of whether the people are going to benefit. We could, if you want, talk about foreign ownership and that sort of thing and the kinds of things that I think we as a nation should be striving for in terms of repatriation of a variety of companies—not through nationalization, but through a conscious commitment at all levels to do it. I think we could probably agree on a lot of things. But while I try not to let my Tory-blue blinkers get in the way—and I'm sure you feel we wear them all the time—I look at the proposition and say, what's in it for the people? And what's in it for the people is a hell of a big bill and no benefit. There wouldn't be another drop of oil in the system through nationalization of one company or all the companies.

Ms. Gigantes: We disagree on that, Mr. Minister.

Hon. Mr. Timbrell: Well, I suspected that we would.

Ms. Gigantes: I would like to reiterate the kind of—

Hon. Mr. Timbrell: Will you let your line out? I had a question.

Ms. Gigantes: Yes. Good.

Hon. Mr. Timbrell: You said earlier that you agree the policies we are following are not right. Who are "we"? In Ontario, first of all, it's not our oil. We have very little oil in the province, our royalties are 12½ per cent.

We do encourage exploration in the province, and in any given year you'll have 30 or 40 exploration activities going on around the province. Unfortunately, our Leduc was at Oil Springs. I believe in 1857, and through a variety of mistakes and crude extraction techniques, a lot of the potential of this province was destroyed in the last century. On balance, therefore, we produce about one per cent, plus or minus points of a decimal, of our crude oil and natural gas.

We are dependent on outside sources. Under the constitution, that oil is Alberta's, Saskatchewan's, Manitoba's or whosoever, but the bulk is in Alberta. In the Territories, it belongs to all of us in the country.

We have consistently put forward concerns about the effect of the pricing policies in this country over the last two and a half years, particularly in the last year and a half. We have also put forward alternatives—never saying to anybody else in the country, "Look, Ontario's got all the answers. The rest of you can go home; we'll straighten it out," but rather that there's got to be a better way.

In 1974 the stated objectives of increasing the price of a barrel of crude oil from \$3.80 to \$6.50 were to do something about domestic self-sufficiency and to encourage exploration. It did neither, because along the way 90 per cent of the increased revenue was taken by governments. That increase generated \$1.8 billion of additional revenue in that year. The provinces took \$1.1 billion and the federal government took \$600 million, which left \$100 million of the increase to the industry—all of the industry. Again I emphasize that was not just for the large integrators but for the entire industry. So it didn't meet the objectives.

The increase not having met the objectives, Ontario set about to come up with some alternatives. That's one which we think will work. That's one which is aimed at trying to retard, if not reverse, the drift towards greater dependency on offshore crude. It's aimed at encouraging the development of Canadian

resources. It's aimed at keeping us in a competitive position with American industry.

Obviously as part of that, if something like that were to come about, the producing provinces and the federal government would have to sit down and talk about their takes from the barrel and, if either or both of them were to back off, what kinds of demands they would place on the industry as a whole for the use of those funds. As I've said around the conference table many times, obviously you would want to have in place some kind of tax or royalty rules that would ensure that if you're going to back off from any amount of federal tax or provincial royalties, that money will be used for exploration. We accept that. That's only reasonable—

Ms. Gigantes: What do you mean you accept it? There's no policy in place that would enforce it.

Hon. Mr. Timbrell: There is a national policy right now which says that we're going to move towards world oil prices. We disagree with that.

Mr. Gigantes: But there is no mechanism, and none has been suggested for Ontario, by which we monitor the amount of exploration and development in those areas that Dr. Isbister is asking us to encourage exploration and development.

Hon. Mr. Timbrell: Perhaps Mr. Clendinning could come forward and talk about the kind of data filed on exploration in this province and nationally. It might be illuminating for the committee if he could describe the kind of information which, when you're in the exploration business, you are required to file under various permits which are granted by whatever authority in whatever part of the country.

Mr. Clendinning: You're speaking of technical, drilling, production data in use in Ontario and, I assume, Alberta or wherever the action is going on.

Hon. Mr. Timbrell: Or the Territories.

Mr. Clendinning: The requirements vary by jurisdiction, but in general terms it is necessary to make available to the authority, provincial or federal as the case may be—aside from getting the drilling licence, the permission to drill on the site, etc.—all records that are kept, all tests that are made, all cores, all drill samples, all other electronic and other types of well records that are made for the benefit of the explorer in terms of assessing the value of the exploration effort

and, of course, the potential producibility of any of the formations that are penetrated.

All of this information not only is used by the explorer for his own purposes, but he must file the results and the material itself—the cores, if there are cores, the results of the drilling process and, as I said, all other electronic testing and so on that is done—so that, in effect, the records of the jurisdiction contain the same data, geological and otherwise, that the explorer has.

In the case of Alberta, where the largest amount of oil and gas production currently is located, all this information is independently assessed—reassessed, if you wish—on a by-well and by-field basis. As a result the Alberta Energy Resources Conservation Board is in a position to make its own forecasts of reserves and producibility, both for gas and for oil, which they do and which they make available. This is perhaps digressing, but they do make their forecasts available to the National Energy Board in its deliberations on total supply.

Was that what you had in mind, Minister?

Hon. Mr. Timbrell: I think so.

Ms. Gigantes: That answers the question of what is done when it's done. It doesn't answer the question of what perhaps should be done and what we should do when it's not done. We don't have any way of ensuring that prices we agree to at a federal-provincial conference are going to affect exploration and development in Ontario.

Hon. Mr. Timbrell: I know two alternatives that your party supports. One is to nationalize an integrated company and the other—I don't know if this one is supported by your provincial party but it has come from another of your provincial parties—is to set up a national exploration fund, which would be overseen by a board drawn from the provinces and the federal government. Other than that, I haven't heard what your alternatives would be.

I would say that basically there are two things that Ontario, as the largest customer, can do in an aggressive manner to affect supply in the country. The first is to take some very strong positions at federal-provincial conferences. This we have done to try to influence and to shape, in a different direction than is presently the case, national crude oil pricing policies. The second thing we can do is in the area of investment; and there, to the limits of the capitalization of the corporation, we have carried on in what I consider to be a rather aggressive manner

in terms of our investment in Syncrude and our investment in the polar gas study, which project in the long run will be of a great benefit to this country.

[4:15]

There is also another area, I suppose; that is, the question of interventions before such bodies as the National Energy Board and the Alberta Energy Resources Conservation Board on such matters as crude oil and natural gas supply and demand, the review of various pipeline proposals in the country, and export licences. We are not always successful, but we are taking a very strong position on behalf of the consumers of this province.

For instance, we have intervened in recent months in two export applications, one by the province of Quebec for Hydro-Quebec, and the other by Manitoba. We had moderate or reasonable success in Manitoba. There were some changes to the licence, but not exactly what we had hoped for, in the case of Hydro-Quebec.

By pursuing those three areas, we can and do carry on very aggressively on behalf of the consumers of this province. To use another example, if we talk about coal, we can't force Alberta to let their coal reserves be developed at any faster rate than is their intention, as stated in the coal policy released by Mr. Getty in July of this year.

Ms. Gigantes: How could it possibly benefit them to have Ontario using coal now, when they want Ontario to be forced to agree to their position on oil? You know, this is elementary poker. I'm not a good poker player, but I know a poker game when I see one. Alberta is sitting on its coal now.

Hon. Mr. Timbrell: No, no.

Ms. Gigantes: Yes, its sitting on its coal. It's a deliberate, clearly announced policy of the Alberta government to sit on its coal.

Hon. Mr. Timbrell: No, they're not sitting on their coal.

Ms. Gigantes: You can see exactly why: As long as it sits on its coal, we can't bargain between coal and oil. We have to take what we get.

Hon. Mr. Timbrell: You're assuming that coal and oil in all instances, are directly substitutable one for the other.

Ms. Gigantes: No, I'm not making that assumption.

Hon. Mr. Timbrell: We want their coal for two reasons. We want thermal coal for Ontario Hydro, and certain Ontario industries may and probably do want metallurgical coal. Alberta's position is that they will take a very cautious stance on the development of their resources, which is fine. They say, "Look, this is a very valuable resource to this province. We're concerned that we extend its lifetime as long as possible. We're concerned about environmental damage."

I mentioned yesterday that there were two projects which were ruled on following the announcement of the coal policy. One near Hinton, Alberta, is a project in which Ontario Hydro has an interest; that was approved. Another, proposed by Calgary Light and Power in the plains area of Alberta, was turned down basically for environmental reasons, because it was a strip-mining project.

While I might like to see Alberta develop their coal resources faster, I understand why their policy is what it is. And it is a policy; it's a very conscious decision on their part to go about it in a very orderly manner.

Ms. Gigantes: Mr. Minister, before I close, I would like to get your general comments on the Isbister report, particularly that section to which I referred. I would like your general assessment of how useful and how thorough that examination was and how much use your ministry will be able to make of it. But let me say you know that there is one point in the report that strikes me hard from that report—and, as I said before, I simply can't agree with a lot of the things that he has done in other sections of his report, and we have questioned a lot of the recommendations he has made in other sections of the report.

The section which I must support is the one where he is making the point that we in Ontario are the consumers and the Ministry of Energy must be our protector. In this context, it seems to me the Ministry of Energy is behaving as pitifully as the Ministry of Consumer and Commercial Relations does on behalf of consumers in ordinary buying situations in Ontario.

Hon. Mr. Timbrell: I would only say this. When you are in the position where you depend on outside sources for 99 per cent of your oil—and this report is about oil—then you live with certain basic facts. You live with the fact that you want to buy something that somebody else has and they are going to control the rate at which that resource is developed. You are dealing with a commodity, the price of which is controlled

beyond your borders—on Parliament Hill, particularly.

We can be as aggressive as we choose to be—and we choose to be very aggressive in this regard, to the point perhaps of having some in other parts of the country getting a little offended at how aggressive we get. But we live with those realities. We live with the reality that we cannot take the resource from another province of the country and that we cannot dictate the price to another province of the country. But we can and do carry on our activities in a very aggressive manner. As per the mandate of our ministry in the legislation of 1973, our aim is to secure at reasonable prices the supplies of energy which the people of Ontario are going to require.

I guess I am looking for prescriptions of solutions from you on behalf of your party. I described two of which I am aware. I would be interested to know what else you would do, other than those things that we are doing in terms of our representations on behalf of the province, our investments on behalf of the province and our interventions on behalf of the province in various regulatory proceedings. Perhaps that will come out some time in the future.

It is interesting to note that your leader has brandished this report on various platforms, and he has described the entire report as a whitewash. I am intrigued by your comments. I understand you when you say that you disagree with certain recommendations. I think I might even know which recommendations with which you disagree.

Ms. Gigantes: Of course you do, because he has made that very explicit.

Hon. Mr. Timbrell: I will be interested in your solutions. People should be able to contrast your solutions on this as the kind of thing versus—

Ms. Gigantes: Could we have a comment from you about the report, in particular the sections that deal with supply to Ontario over the next few years? That's in book I.

Hon. Mr. Timbrell: Basically, I guess I would have to say we agree with the section. If there is a shortcoming in this section, it is that it is short on answers to questions like how, what, when, where, who and so forth. Basically, I can't imagine that anybody could disagree with that section.

Ms. Gigantes: Thank you, Mr. Chairman.

Mr. Chairman: Mr. Gaunt?

Hon. Mr. Timbrell: Excuse me, Mr. Chairman. Mr. Gaunt asked questions yesterday about some heavy water leaks. Mr. Woodhead is here from Ontario Hydro. He is director of the nuclear generation division. Since Mr. Woodhead has been here most of the afternoon, perhaps he could answer the points raised by Mr. Gaunt, and any supplementary questions, so we can let him go home.

Mr. Gaunt: Of course.

Hon. Mr. Timbrell: Last evening, Mr. Gaunt was asking some questions about heavy water leaks, or spillages if you will, at Douglas Point. I may be paraphrasing him; perhaps he would prefer to restate the question.

Mr. Gaunt: I don't have the material with me today but, as I recall, it was an article that was in the London Free Press on or about September 11, 1976, having to do with the spill of heavy water at the Bruce generating station. The spill amounted to roughly 5,000 gallons and the cost involved was \$500,000. I believe it was a result of an experiment with a nylon pipeline. For some reason or other, the spill wasn't caught as quickly as it should have been and as a result that amount of heavy water was lost.

Mr. Woodhead: The event you are referring to occurred on August 20 of this year. It occurred during the pre-startup commissioning of the Bruce generating station unit 2. The Bruce generating station unit 2 first went critical, or created a nuclear chain reaction, on July 27 and it produced its first electricity on September 4.

During the time between the unit first going critical—where the chain reaction is proceeding but there is negligible heat output and no electricity output—and September 4, when we first produced electricity, we were conducting an extensive number of tests. This spill—and your figure of 5,000 gallons is reasonably accurate—occurred as a result of failure of some high-pressure nylon tubes, used to temporarily connect some special instrumentation for one of the mandatory tests before we could take the reactor up to a high enough power to produce electricity. It was not experimental in the sense of trying these devices out. We were carrying out a special test using instruments that are not intended to be hooked up to the station equipment during the normal lifetime of the station.

With regard to the 5,000 gallons, that is the total amount which escaped from the re-

actor systems. Of that amount, 2,000 gallons—these are round numbers—were not recovered. Three thousand gallons were recovered. The 2,000 gallons that were not recovered evaporated in the plant buildings and eventually part of the external atmosphere.

This heavy water was not radioactive and so there was no concern about radiological exposure to the public or to the station staff. However, it was hot heavy water—about 500 degrees Fahrenheit—and the system pressure is about 1,300 pounds per square inch. When this line failed, albeit a very tiny line—about three-eighths of an inch, outside diameter—the rate of release of the heavy water, driven by the 1,300-pound head, was very large. Because it was very hot—500 degrees Fahrenheit—roughly half of it would have immediately flashed into steam. In flashing into steam in a confined space—in a room considerably smaller than this one—the result was a dense fog. This fog, the water vapour or steam in the air, inhibited the activities of the operating staff.

The operating staff were immediately aware that a leak had occurred. They were immediately aware of this as a result of a number of indications that enunciate or alarm in the central control room as well as from local indications. In order to determine where the leak had occurred and to take the necessary corrective action to block the flow, it was necessary to equip the workmen with protective clothing, fire suits and so on. Eventually, in order to speed up the job, we in fact used cold water sprays from the fire hose system to condense the heavy water vapour and allow better visibility, as well as providing, because of the nature of the cold water, a protection to the workmen involved so they wouldn't get burned by the heat of the heavy water.

[4:30]

At that point our primary concern was to make sure that none of our staff would get hurt; there was no concern about radioactivity or any other cause of harm to the public. Having assured ourselves that we could do this operation safely, and having dissipated the fog, we were then able to go in and identify the specific tubes that had failed. We then went into another room, an adjacent room, to trace the same lines, which in this other room were stainless steel and part of the permanent piping as opposed to this temporary piping, and to crimp off the stainless steel tubes and thereby block the flow.

While all this was going on the operators in the central control room were cooling down the reactor, cooling down the heavy

water, as fast as was practical, and depressuring the reactor as fast as was practical, in order to reduce the leak rate to a point where it could be positively stopped by locating and crimping the stainless steel supply lines.

Mr. Reed: Can I ask a supplementary to that question, Mr. Chairman: Is there any connection between this spill and the now apparent design problems with unit two which have resulted in licensing by AECB for only 50 per cent of power, and resulting in the fact that currently you are only running about seven per cent?

Mr. Woodhead: This has no relationship.

Mr. Reed: No relationship at all?

Hon. Mr. Timbrell: That's a standard start-up percentage, isn't it?

Mr. Woodhead: Yes; there are no problems.

Ms. Gigantes: Could I ask what would have happened had this break occurred once the station was operating?

Mr. Woodhead: Yes; I think two things: One is that since there would have been some concern about the amount of tritium that would be contained in the heavy water and which could potentially escape to the atmosphere, I think we would in fact have cooled the reactor down more quickly and depressurized it more quickly. I'll come back to that in a moment, if I may.

Secondly however, even if this event had occurred in precisely the same manner and with an equilibrium concentration of radioactive tritium in the heavy water, the amount of tritium which would have escaped to the atmosphere would have been in the order of one-tenth of that which we are permitted to release in one week. It would not have been a significant quantity from the standpoint of any hazard to the public.

I'll come back to the first part of my question; the reason we would have cooled down faster under that circumstance, but did not cool down faster in this circumstance, is that rapid cool-down of course imposes thermal stresses on the reactor components. These themselves are undesirable and to cool down at the most rapid rate available to us would in fact have cost more money than simply letting the spill continue as we did for awhile, with slow cool-down. That arises from the fact that we would have had to keep the reactor shut down for a period of several days, or possibly longer, in order to carry out inspections to assure ourselves that

the piping materials had not had their physical qualities altered in any way. In other words, we would have had to carry out fairly extensive in-service inspection to assure ourselves that the thermal stresses imposed had not been detrimental.

Ms. Gigantes: What quantity of heavy water would you be using in that whole system?

Mr. Woodhead: Forgive me if I switch units for a moment, the 5,000 gallons corresponds in our metric terminology to 20 megagrams. The amount that was lost was about one-third of that, or about seven to eight megagrams. The total amount in each reactor is about 700 megagrams. So what we are talking about is a loss of about one per cent of the reactor inventory.

Ms. Gigantes: How much loss would be required before there might be problems with the reactor itself?

Mr. Woodhead: Very much larger quantities than this. It is not only a matter of the quantity it is a matter of the rate at which it is escaping.

Ms. Gigantes: There's one other question I have if I could. How would the tritium be released in that situation, where would it be released?

Mr. Woodhead: Tritium is an isotope of hydrogen, so the heavy water, when it's brand new and does not contain tritium, consists of about 99.7 per cent light hydrogen isotope combined with oxygen, or light water if you like, and 0.7 per cent of heavy water D_2O , deuterium oxide. In both cases it does not exist as gas, it exists as a compound, light water and heavy water. The tritium similarly exists as a compound. It really consists of a three element compound, tritium, deuterium and oxygen, TDO. So it is simply from a chemical standpoint, a form of water, and like water when it's hot will evaporate, just as there's water vapour in the air in this room, and cannot readily be recovered out of the air in this particular situation.

Ms. Gigantes: So the room itself would be contaminated.

Mr. Woodhead: The room itself would be contaminated with tritium, that is correct.

Ms. Gigantes: Would that inhibit the repair job?

Mr. Woodhead: Not significantly, no. Again, if we took the situation where the reactor had in fact been operating for a

number of years and contained its normal amount of tritium, the principal hazard to the operating staff would have been the high temperature of the water. My concern would have been that they not get burnt.

Mr. Williams: Mr. Woodhead, you talked about the use of temporary pipes, has that been the traditional procedure, if you will, that's been used when you start up a reactor such as at Pickering, was this the normal practice; and if so, because of this experience what corrective measures have now been taken to ensure that this type of spillage would not occur again?

Mr. Woodhead: If I can answer the latter part first, in applications of this nature, even though the chance of the tubing getting exposed to damaging temperatures is extremely low, we would not again use that type of material.

As far as the first part of your question is concerned, in the commissioning and early operation of a nuclear power station, or of a fossil-fired power station, or indeed of a hydraulic generating station, or of a refinery, or of any other piece of industrial equipment that I can think of, it is necessary to carry out tests to ensure that it is in fact going to perform as it is intended to perform and as safely and as economically.

One cannot afford to hang on, temporarily, all of the special purpose implementation that is required for that sort of test that one needs to have for the normal day to day running of a plant. I think you can appreciate that even in the case of your automobile, when it rolled off the assembly line somebody hooked up some temporary test instruments to it to make sure that the motor was running properly. If it was the first of a new model, it would get quite extensive testing, in the form of things like dynamometer testing and so on, simply to confirm whether it met the specification and if not do something about it. So temporary instrumentation is absolutely essential at this stage.

Mr. Gaunt: If I could get back in here, I'm usually a very patient and generous person, but I would like to ask what is the percentage risk in so far as this event happening when a plant goes critical as opposed to the normal operation of a plant?

Mr. Woodhead: First of all, this did occur after the plant went critical but before the plant was operating to produce electricity.

Mr. Gaunt: Right. And so the risk is higher at this particular point of time.

Mr. Woodhead: Yes.

Mr. Gaunt: As opposed to a period when it is operating normally.

Mr. Woodhead: The risk of this type of event is higher, simply because one does not normally carry out this type of test after a plant has been in operation for a considerable period of time. If one did carry out such a test, one would appropriately consider whether equipment and test procedures that are appropriate to the pre-operational stage remain appropriate after a plant has been operating.

Mr. Gaunt: So in your view the chances of this happening during normal operation are very, very minimal.

Mr. Woodhead: The chances of this specific event occurring are extremely small. But again, the consequences would be negligible in terms of any hazard to the staff or to the public.

Mr. Gaunt: And when another—

Mr. Woodhead: The cost would be that this type of event would be one of the sorts of things that result in us not having 100 per cent perfect past effective from real life stations.

Mr. Gaunt: But there is a possibility that it may happen again when you're in a critical startup period at one of the other generators.

Mr. Woodhead: It is possible leaks of a comparable nature may occur.

Mr. Gaunt: That's all I have on that subject, Mr. Chairman.

Mr. Williams: I just had one further question on that, Mr. Chairman, if I might. I wasn't clear Mr. Woodhead, when you said that the piping that was used was, temporary is the term you used, whether in fact it was experimental piping as to the texture and type of material—

Mr. Woodhead: No.

Mr. Williams: —that went into the making of that piping; or whether in fact it was provided to meet some type of time commitment when the normal piping that you would use was not available at that time.

Mr. Woodhead: It's a type of material that is intended for use at high pressures but not at high temperatures, and so it is commonly used in many applications of this sort. Under normal circumstances we would not have exposed that tubing to high temperatures. But

over a period of time, in fact, a small amount, a small flow, of hot water did reach the beginning of this tubing and eventually caused it to lose its high pressure properties. That's the reason it would not be used as a permanent installation on any high pressure, high temperature system, nuclear, fossil or otherwise.

Mr. Williams: It was being used, as you say, strictly on a temporary basis.

Mr. Woodhead: Temporary, yes.

Mr. Williams: Was that simply because the other normal type or permanent type of piping that you would be using was just not available at that time?

Mr. Woodhead: No. It would have taken longer to install. It would have taken considerably longer to install stainless steel tubing than to install this temporary tubing.

Mr. Williams: I see. Was there some urgency in going to the temporary in order to do the startup tests?

Mr. Woodhead: Yes. Virtually during this period all of the major tests that are planned tend to be on the critical path, or if they're not on the critical path they are very close to it, so that we have to balance doing things ultra-conservatively that are going to take extra time, against the risk.

Mr. Williams: There is reference made to the, I think in answer to one of the other questions, to the fact that there's a possibility that there could have been contamination of the room in question.

Mr. Woodhead: Not under these circumstances.

Mr. Williams: Well if the tests had been further down the line—

Mr. Woodhead: These tests must be done, had to be done, at very low power levels—

Mr. Williams: Right.

Mr. Woodhead: —and after very little operating time on the reactor, which means that contamination did not and could not have built up to any significant degree.

[4:45]

Mr. Williams: Really, the question I was coming to is that I presume with the high degree of technology used in the set up of these nuclear power facilities, that in any one room such as that there would be electronic procedures whereby you could shut down the

operation without exposing human beings, really, to the risk of entering that type of room if there was any question of contamination of the atmosphere. Is that correct or not?

Mr. Woodhead: We must regularly work in contaminated atmospheres, just as people in other industries have to work in atmospheres that are contaminated by other types of material. So that we must be able to work in the face of radioactive contaminants, and to do so safely by knowing what the concentration is, what the permissible exposure times are and taking appropriate protective action by the use of such things as air supplied plastic suits and shielding and the like.

Mr. Williams: It was my impression or understanding as a lay person, in touring the Pickering plant at the time before they really started that up, one of the things that impressed me was the fact that where an emergency situation developed in any quadrant or any section of that plant, it was so designed that they could virtually seal it off and deal with the emergency situation without exposing staff to that particular problem, through electronic devices and safety devices and controls. Am I wrong in that?

Mr. Woodhead: No, that is correct. If the degree of contamination is so large that it truly is a health hazard, then that is the sort of thing that would take place at Bruce as at Pickering, and we would then tackle the problem appropriately.

Mr. Williams: So these safety devices are there?

Mr. Woodhead: As I said, again in this instance, and indeed if a comparable event occurred in the future, the primary concern would be the fact that the water is hot; and the secondary concern would be that the atmosphere would be contaminated by low level radioactivity.

Mr. Williams: My last question is, as a result of that spillage how far behind are they on the critical path as far as the time factor is concerned in setting that plant into full operation? How much time has been lost because of that incident?

Mr. Woodhead: That particular spill probably did not cost more than 12 to 24 hours.

Mr. Williams: Oh, I see. It's minimal.

Mr. Woodhead: And in fact it's doubtful that it affected things that extent, because we simply rescheduled.

Mr. Reed: Not to be confused, of course, by the other problem that has entered into the picture since that time. In other words, we wouldn't want to mislead ourselves into believing that this reactor is going to start up only 12 to 24 hours late and come up to full power. There have been other problems since that.

Mr. Woodhead: I was talking only about the impact of that specific event.

Mr. Chairman: Mr. Shore?

Mr. Shore: Thank you, Mr. Chairman.

Mr. Chairman: You have completed, Mr. Gaunt?

Mr. Gaunt: No, not by a long shot. Mr. Shore has indicated he has two short questions; I point out to you that I've been on the list since 2 o'clock and I have to leave at 5:30 for an appointment, so I hope that that will be considered, as I'm sure it will be.

Mr. Shore: Mr. Chairman, first of all, I thought the committee was just sitting until 5 o'clock. I appreciate Mr. Gaunt's courtesy and the undertaking I give to him is that if the questions take more than two or three minutes I'm prepared to have them answered at another time.

The first observation I'd like to make, Mr. Chairman, is that the things I wanted to comment on were partially involved with the comments that the member for Grey-Bruce (Mr. Sargent) made before, and he undertook, purportedly, to come back and give some evidence, resource information or something on what he was alluding to. Unfortunately, he hasn't done that so I'm going to hold my comments on that until later in case he does come back with that information.

If the question that I put requires any more than a few minutes I'm prepared to have it answered another time. The question I want to put concerns the masses of the public and so on, and it relates to the aspect of multi-unit buildings in relation to bulk metering; I wonder if the minister can comment on that shortly or would he prefer to comment more elaborately on it another time? I know it was alluded to yesterday, but it seems to me it's a major point, an issue of major proportion from the point of view of economics and also utilization of power.

Hon. Mr. Timbrell: I think I can give a quick answer to that. As you know, the select committee on Hydro rates recommended in June that bulk metering be banned, and they

had heard evidence from an expert source that indicated the use of bulk metering can, in certain instances, increase the use of electricity by about, 34 per cent I think was the figure.

Over the summer we in the ministry became aware of a report which had been done, I think it was in London, by the PUC in London, which indicated that the increase was something in the order of three per cent. The people from the utilities, from the Ontario Municipal Electric Association and the AMEU, came to Hydro and the government and said: "Look, there's enough uncertainty about what is in fact the effect of bulk metering that to accept that recommendation now might not be the right course of action." They pointed to their main area of concern, the additional costs that would accrue to the utilities in terms of, first of all conversion, the potential cost to the utilities for conversion, and costs associated with extra meter readers and billing the costs and so forth. So we decided that what we would do is, through Ontario Hydro, effect a ban on conversions to bulk metering; any new bulk metering facilities would have to be justified on an energy-use basis; and that the AMEU and the OMEA would conduct a study, which we should have the middle of next year, in the fall, on the whole question of bulk metering, trying to in some definitive way pinpoint what is the impact in terms of electricity use of bulk metering and what are the implications: Should we go to a reconversion or should it be just a simple ban on any new bulk metering installation; if you go with reconversion who should pick up the cost and how should it be apportioned and carried? That, briefly, is where it stands.

Mr. Shore: So it is alive, at least.

Hon. Mr. Timbrell: Oh yes. There is a ban on conversion right now.

Mr. Shore: Thank you, Mr. Chairman and Mr. Minister. Thank you Mr. Gaunt.

Mr. Chairman: Mr. Gaunt.

Mr. Gaunt: Mr. Chairman, I wanted to deal with the Isbister report at some length. I hope, insofar as the oil companies are concerned and their retailing and merchandising practices, I won't be perhaps as generous as others who have spoken on this matter have been, because I really feel that the report in this respect is not realistic. It certainly provides a glowing character reference for the oil companies, but beyond that I think it is quite absurd, in some respects, to

say the things that it does say and to sort of wash the whole problem away in the manner in which it does. All the while those governments—

Ms. Gigantes: Excuse me, Mr. Chairman. Mr. Gaunt should be aware that I referred to the first section.

Mr. Gaunt: I am aware of that.

Ms. Gigantes: You are talking about the later sections.

Mr. Gaunt: Yes, that's right.

Ms. Gigantes: So don't assume that I approved those later sections. In fact I specifically indicated that I did not.

Mr. Gaunt: Yes, well I didn't mean to cast any—

Ms. Gigantes: Yes, you did.

Mr. Gaunt: —unnecessary aspersions on my colleague, other than the fact that she said that she thought that the report was quite firm, in respect to some of the things that were said in the first section.

So that being clarified, I say to you, Mr. Chairman, that most of the government inquiries in other Canadian provinces, and certainly in other countries throughout the free world, found these same international oil companies to be operating essentially as a cartel and their pricing policies have been found to be contrary to the public interest and most certainly discriminatory and extremely harmful to petroleum retail dealers.

I think Isbister in this particular section really says that everything is well and—

Hon. Mr. Timbrell: No, excuse me; the commissioner says that while he recognizes there are problems, paraphrasing now, in the area of company-dealer relations, what he said was that the government should be under no illusion, that to move into that area will cost the consumers money, that any of the solutions suggested to him at the hearings of the royal commission, whether they be from ORGA or Canadian Federation of Independent Business or whomever, that any of them involve a higher cost to the consumer. He points out that his terms of reference were to deal with petroleum product pricing in terms of the consumers' interests, and therefore, after his hearings, arrived at that conclusion.

Mr. Gaunt: His whole theory is based on the premise that competition, in the long haul, will look after the consumer interest.

I am saying to the minister, through you, Mr. Chairman, that I don't agree with that assumption and premise. I don't think it is borne out by the facts and I think there is going to have to be some government intervention in the retailing and merchandising of gasoline.

Isbister and his own statistics shows that the oil companies are taking a steadily larger share of gasoline retailing with introduction of the self-service stations, while the total number of the branded service stations has decreased, from 11,764 in 1972 to 9,150 this year. The number of company-owned and operated stations has increased from 332 in 1972 to 541 last year, and still going up.

Hon. Mr. Timbrell: Sorry, what's the source to say they are still going up? I haven't seen any figures as to numbers this year. I have certainly seen the 541 in Isbister, but I haven't seen any numbers for this year.

Mr. Gaunt: Well, I think one just has to look around the country.

Hon. Mr. Timbrell: They are not marked company-owned.

Mr. Gaunt: Well, the industry people themselves admit that they are still going up because they are pursuing that policy. It's deliberate and they are pursuing it. So I think one can assume, accurately, that it is going up.

The report indicates that there are problems in various areas, as the minister has pointed out, but really recommends no action. It certainly recommends no action in respect to the uniform wholesale pricing, recommends no action with respect to divorcement of retail and wholesale levels, and makes no recommendation or suggests no action with respect to divestiture of retailing operations; and right down the line they do indicate, or the report does indicate, and I am reading from page 51, (114):

"As far as the independents are concerned, consignment sales were at a lower level, for example between 10 and 35 per cent of a company's branded volume, it might be said that the markets were operating within the normal framework of principles put forward by the majors to justify their pricing structures.

As far as the independents are concerned, they would be able to compete for business in their customary fashion, if their operating margins were not being unduly squeezed by the self-serve retail prices.

"In neither of these cases, are price relationships at present achieving a competitive balance. While the immediate problems are serious, the inquiry found no reason to conclude as yet that the market will not operate to correct the discrepancies."

[5:00]

Then there are other comments with respect to the circumstances in the industry and the commissioner goes on to recommend:

"Fixed annual rents would be preferable to the current system because it would give less incentive for overexpansion at the retail level. It is recommended that the companies reconsider their approach to rents, in the light of pricing considerations, with the objective of moving toward fixed annual rents that bear a more approximate relationship to the value of individual property."

I would certainly concur that some action in that respect is needed. I noted also that on page 53, in respect to the furnace fuel and industrial and commercial products, the commissioner says—it's 120, Mr. Minister—"In the furnace fuel markets, competitive pressures on the producers appear to be less intense than with respect to gasoline. Retail sales typically take place at posted prices. From information submitted and otherwise obtained, the commission was made aware of individual problems but none of general application."

I think it's fair to say that the service station operator and, in this province the lessee operator often faces the choice of selling gasoline in competition with his own suppliers at retail prices near what he pays wholesale or he simply accepts support which does not allow him to survive or, if he does survive, to survive on certainly a very minimal income.

I contrast the things that were said in this particular section of the report to the report done in BC with respect to gasoline pricing and marketing. That report was done by the British Columbia Energy Commission and it's dated December, 1975. I do that against the background that these are international companies. They're operating in an international milieu and, therefore, there's a commonality which we share with other provinces in Canada and, indeed, in North America with respect to some of the problems we have.

The report in BC said that these were the major findings: There was excess service station capacity; price competition is not widespread throughout the province; the consumer pays more than is necessary for gasoline; and dealers suffer discrimination and

insecurity in their relations with oil companies. I think the same could be said here.

The commissioner in this province said he felt there was competition among the companies while the report in BC said, "The market cannot find a competitive equilibrium so long as competition is subsidized to preserve the relative market shares of the major companies." They found there were three major deficiencies. First of all, chronic excess capacity and certainly we have that in this province, inadequate price competition in most markets most of the time; and the competitive disadvantages of the lessee and the independent major brand dealers.

Hon. Mr. Timbrell: Do you think we have the second in this province? Lack of—

Mr. Gaunt: Inadequate price competition? Yes, in many respects, very definitely.

Hon. Mr. Timbrell: Do you know what the price spread is in Metropolitan Toronto, for instance?

Mr. Gaunt: I have an idea because I presume it would be much the same as the price spread in my own area and it runs anywhere from 78.9 to 88.9 cents.

Hon. Mr. Timbrell: In Metropolitan Toronto it's 74.9 to 99.9.

Mr. Gaunt: I think the very fact that there is a wide spread across the province indicates, in my judgement, two things. I think it indicates that at the moment we have excess capacity. Secondly, I think it indicates that in many areas the major brand companies are moving into self service stations and doing so at cut-rate prices in an endeavour to squeeze the independent out of the market. Having done so, the price could be adjusted accordingly. That's my interpretation and that's the construction I would certainly put on it. Rather than disputing the matter of inadequate price competition I would put the other construction on that pricing situation.

Hon. Mr. Timbrell: What the commissioner found was that in the large markets of the province there is very extensive competition which has worked in the interests of the consumer. I believe somewhere in here it points out, if you want to start about self-service, that was started by the independents. They started the concept and it was picked up from there.

You have to go back to the terms of reference of the commissioner wherein he was directed to look at the question in terms of the consumer's interest. To read the terms of reference into the record they were to

"inquire and report on (a) inventories available to Ontario of crude oil and petroleum products." That's what Ms. Gigantes and I were discussing earlier. "(b) any changes in prices of petroleum products that might reasonably occur after a price freeze; (c) the relationship between price changes in general and the interests of the consuming public of Ontario; and (d) the procedures that might be followed in relation to future changes in the price of crude oil."

In that regard, he found the competitive forces in the province, because of the independent sector which markets close to 20 per cent of the gasoline in the province, and such things as self-service, were such that the consumer was benefitting. I'm well aware that it has been the position of, I guess, both opposition parties that we should go to a Nova Scotia style of price regulation. This was brought up several times in the Legislature in the late spring or early summer of 1975.

We've looked at the Nova Scotia system. The University of Dalhousie—I guess it was in the law school—did a review of the public utilities board regulation of gasoline prices in the province of Nova Scotia and they found it extremely wanting. First of all, the average price of gasoline in Halifax, which would be Nova Scotia's Toronto in terms of market to be served and competition, is 10 cents a gallon higher than in Toronto. They attribute this pretty well directly to the regulation which has, first of all, virtually done away with competition. There's a minimum dealer margin in the province of Nova Scotia. Because of the regulation there is virtually—I think there is no independent sector at all in the province of Nova Scotia today; all the retailing is by the majors. In general terms it has not served the consumers of the province of Nova Scotia.

Recognizing that the commissioner felt it was beyond his terms of reference and inconsistent, in his view, with his terms of reference to recommend any form of government intervention, whether it be by regulation or whatever, in the area of retail or company activities, over the summer we have been discussing and working with the Ministry of Consumer and Commercial Relations to see what the government might do in this area which would solve or address some of the problems of the dealer because we can't solve them all. Unquestionably, some of the dealers are caught in a squeeze because of the rationalization of the retailing sector. We had too many stations. We probably still have too many stations in the province.

Mr. Gaunt: That's right.

Hon. Mr. Timbrell: Given the tremendous price competition, sort of one following after the other, there is more and more of a move toward things like self-service with the very heavy volumes involved in self-service stations, because of which they can therefore run the stations at a lower margin.

One of the things the commissioner surveyed was the operating costs associated with a self-service station versus a full service station. He found the operating cost per gallon in a self-service was about 12¢ a gallon—12 point something—and in a full service station it was over 17¢ a gallon. Because of volume, because of a number of obvious things like fewer staff to run the station, this sort of thing, the operating cost per gallon was almost 5¢ per gallon less.

In our ministry we don't have all the authority—or the authority period—to deal with the dealers' complaints and problems. This is why we have taken it up with the Ministry of Consumer and Commercial Relations. With respect, the thrust of what you are arguing should be aimed at that ministry.

Mr. Gaunt: It may be so, but I think—

Mr. Chairman: I'd just like to remind you that we have gone past 5 o'clock now, if you've got 15 minutes or so, possibly the committee would like to carry on until you complete your remarks and then—

Mr. Gaunt: I was of the understanding we were going until 6 o'clock. Is that not so?

Mr. Chairman: I was under the impression we were going until 5, but I'm quite flexible as far as that goes.

Mr. Gaunt: I see. I really can't complete my remarks in a few minutes, Mr. Chairman. If you want—

Mr. Lane: I move we continue until Ms. Gigantes—

Mr. Chairman: Okay, that's quite all right.

Mr. Gaunt: Thank you. The competition the commissioner cited is rather hard to define given the circumstances because something like 85 per cent, I believe—here it is: "At present 85 per cent of all the gasoline sold in Ontario is either through oil company owned and operated service stations or through retail outlets where the major oil companies have the ability to set the retail price." That roughly corresponds with your figure; they're saying 85 per cent, you said 20 per cent.

Hon. Mr. Timbrell: It's in the plane.

Mr. Gaunt: It's in there somewhere. The fact of the matter is that many of the so-called independents get their supplies—they have to—from one of the major oil suppliers. In terms of competition I think it's somewhat of an illusion to say we have true competition in the marketplace when—what is it?—five or six major oil companies control the market.

Hon. Mr. Timbrell: I think it depends on the point from which you start. If you argue or consider the question of competition in terms of the ability of the consumer to choose between different price levels which will depend on the type of service offered, the location and the number of competitors in the area, then, in fact, there is competition. Otherwise, how would you explain the fact that this summer when gasoline was 78.9 cents per gallon in Toronto, it was 76.9 cents per gallon in Sault Ste. Marie? Obviously, there is an additional transportation component to get the gasoline from the refineries in the southern part of the province to the Sault. Or the fact that gasoline in Timmins this summer was 78.9 cents a gallon, exactly the same as in Toronto?

If it's not competition, what is it? The fact of the matter is that in both those municipalities in the north there have been widespread gas wars, if you will, going on for a number of years. I grant you there are problems which dealers are experiencing but if you're going to argue about competition, in the terms on which the commission was appointed, in other words the consumer's interest, in fact there is widespread competition from which the consumer is benefiting.

[5:15]

Mr. Gaunt: I suppose it does depend on the point at which you start, but the fact of the matter is that that so-called price discrepancy, in my view, is mainly caused by the excess capacity in the industry right now. Gasoline prices in the Sault or in Muskoka—I was in Muskoka this summer—are cheaper than the prices in Wingham. The transportation component wouldn't be very much different, I wouldn't think roughly the same, but yet there was two, three, in some cases, four cents difference.

Hon. Mr. Timbrell: What's the tourist traffic through, say, Bracebridge? How does that compare to the tourist traffic through Wingham?

Mr. Gaunt: I would say—

Hon. Mr. Timbrell: A little bit more?

Mr. Gaunt: —somewhat more.

Hon. Mr. Timbrell: I think that has a bearing on it.

Mr. Gaunt: The point I am making is that the companies are really controlling entirely the pricing. It's a situation where the company, in view of the fact that it does control, in one form or another, roughly 85 per cent of the outlets, is controlling the price based on what the market will bear. The true factors of competition are not really applying in any of these circumstances, because in the Sault or in Muskoka I presume that the oil companies are making their own special deals in price in order to try and encourage consumption and get rid of the excess capacity.

Hon. Mr. Timbrell: For one thing, once you get outside of Metropolitan Toronto you have a much higher proportion of the stations actually owned by the operators. I dare say you would know a lot of people in your constituency who actually own stations. There are very few operators in Metropolitan Toronto who own the stations. In most cases in Metro now they couldn't afford to own the stations; or if they bought them 20 or 25 years ago the property is so valuable now they're getting out of the gas business. I know one or two in my own constituency here in Metro who are doing that, getting out and selling off the property for townhouse development or whatever.

So that does have an influence, just the same as, I think it's analogous, I buy my cars in Bracebridge because I deal with a dealership that's been in business for 55 years or 60 years, the building was paid off 30 years ago, and because he's got a much lower overhead he can give me a better deal on a car—I'll probably be shot by somebody at Rumble Pontiac-Buick in my riding tomorrow—than by dealing at a dealership that built the building in the last 15 years and where property taxes are higher and so on.

There are so many things that go into this. You mentioned the BC Energy Commission. I had dinner last Thursday with the former chairman of the BC Energy Commission, who was chairman at the time that report came down. He was telling me why BC backed away from a Nova Scotia style regulation, because when they came right down to the short strokes of it they found that what they were going to do was increase the prices to the consumer in a great many of the markets where, from the customer's point of view,

the consumers' point of view, there is in fact quite extensive competition.

So there's the BC and the Nova Scotia experiences to draw on. We're into regulations with such things as the gas companies, and it's the kind of thing that if I could see any merit in terms of benefit, not just to the dealers but also to the consumers, you'd obviously have to give it serious consideration. But when you consider the Dalhousie report, when you consider the experiences of Mr. Thompson, the former chairman of the BC energy commission, then you've got to say, well, there's nothing in this for the people of Ontario.

I grant you there are problems with the dealers and, as I mentioned, we are discussing this with Consumer and Commercial Relations. I don't think we can solve all of the problems because a lot of them do relate to the fact that the market place is being rationalized, that we do have too many stations, that a lot have already been phased out and a lot more will be phased out, but to say that there is no competition in the province I think is to fly in the face of reality.

Mr. Gaunt: The additional outlets that have been built over the last few years are certainly costly in terms of the consumer; costly in this sense, that we have a lot more of them than we really need. I think the commissioner pointed that out. I think this applies pretty well right across the province. Certainly it applied in BC, because it was mentioned in that report as well and—

Hon. Mr. Timbrell: Excuse me, can I read you the commissioner's comment on that? What he says is:

"The consumer has benefited from the recent trend toward increased marketing efficiency. The widespread introduction of self-serve has provided easy access for the consumer to low-priced outlets throughout most major markets."

Mr. Gaunt: No, but you see I am saying that it's not efficient to have a service station on every corner. It's not efficient.

Hon. Mr. Timbrell: Any more than a hamburger stand, right.

Mr. Gaunt: I don't care what the commissioner said, there's no way anybody can tell me that it's efficient to have a service station on every corner.

Hon. Mr. Timbrell: That's not what he's saying. He is talking about the rationalization, the increased efficiency in the market

place which has involved closing down a lot of them. I spent most of my formative years growing up in the borough of Scarborough and, for good or ill, Scarborough was famous for the fact that through the 1950s and 1960s there was built on every corner either a gasoline station or a hamburger joint and they are paying the price for it now trying to—

Mr. B. Newman: I remember the day when it was churches.

Hon. Mr. Timbrell: No, that was Don Mills.

Mr. B. Newman: Too bad we can't get back to that.

Hon. Mr. Timbrell: Our churches are still alive and well in Don Mills.

Drive through Scarborough some time and see the number of stations that are boarded up. Again, it has undoubtedly caused problems for the operators of those stations, but it had to be. If you have three or four stations within a stone's throw of one another, it has come to the point that given the cost of operating stations when you have got that many in a given area dividing up an available market, none of them could afford to stay in business without company support of some kind, dealer support on the margins. As a result you get into rationalization, closing up stations and self-serves being built, such as we have seen more and more of in the major market centres of the province. They are now starting to go into some of the smaller northern markets. I just had a report last week there is a self-serve being built in Kirkland Lake, one being built in Kap, which will add additional competitive forces in those markets.

Mr. Gaunt: Earlier on you partly made my case in citing the various price discrepancies across the province. Couple that with the fact that there are more independent service stations outside of Metropolitan Toronto than there are in Metropolitan Toronto, one has a circumstance whereby the gas stations that are owned outright by the companies, or at least are controlled by the companies, are in a price war with those independents and they are in a price war for one reason—they want to squeeze them out, and having squeezed them out, then we essentially will have no competition. That's really what I am saying to you. That's why I say that basically, fundamentally, we really have no competitive pricing system insofar as retail gasoline prices are concerned in this province.

Hon. Mr. Timbrell: That point and something you made earlier on implies or assumes that there is some form of collusion among the companies. I know that about a year ago, and this is part of their ongoing activities, the combines investigation branch of the federal Department of Consumer and Corporate Affairs took the records of a number of the major oil companies back to 1960, I think; they wanted them back to 1949. I think in some cases they got them for much further back but in general terms, it was back to 1960. That kind of thing is under regular surveillance in terms of collusion or infringements of or offences against The Combines Investigation Act.

I guess it comes down to this—as I see the alternative you've put forward, based on what's happened in Nova Scotia—which is the only place I can look at with experience with this—the effect that system would have would be to raise prices significantly in the competitive markets without doing anything for prices in the less competitive markets. In fact, you would end up costing the consumers of the province—looking at the total annual purchases of gasoline—significantly more.

What we should be doing is working with the dealers—where we can do it—either through legislation or government intercession between dealers and companies, and assisting them through the rationalization period but not at any more expense to the consumer than is necessary. The consumer is being very well served by the present market system.

Mr. Gaunt: Perhaps in the short-term but not in the long-term.

Hon. Mr. Timbrell: If you want to talk about the long-term that is always a fuzzy thing. Maybe we have to look back over a longer term and look at the pattern in prices as compared to other consumer commodities; look at the increases in prices relative to the consumer price index or relative to the average industrial wage, if you want to use that as an indicator. It is true for all energy commodities, particularly gasoline, that the prices have not increased as much as have the wages and salaries. They have not increased as much as all the things which go into determining the consumer price index. Take a commodity like electricity—the price actually went down between the mid-1950s and the mid-1960s. The same was true of gasoline in a number of the competitive markets in the 1950s and 1960s.

Mr. Gaunt: Those were the good old days.

Hon. Mr. Timbrell: The good new days are not going to be having a large government bureaucracy deciding what is best and regulating the dealers. Let's face it. The only way you are going to make a system of regulation work properly is with a large bureaucracy and, secondly, regulating everything down to and including the person whom you and I would like to see stay in business, namely the independent businessman.

I know it's very popular to suggest regulation of the oil companies but let's not kid ourselves—what you are talking about would have to involve regulation of those 9,500 dealers in the province as well. It would have to go right down to that level.

Otherwise, how are you going to ensure the end price which is still determined in the majority of cases by the dealer operating his station? He is the one who changes the dials on the pump in the majority of cases. How would you ensure, without regulating him and telling him how much he could earn per gallon, that the consumer would benefit? I'm telling you, you couldn't do it any other way and based on what we've seen in Nova Scotia, the prices would increase.

Let me give you one example. In Nova Scotia the base markup or margin for the retailers is 12 cents a gallon. In Metropolitan Toronto today the average markup for retailers is about seven or 7½ cents per gallon. If you went to the Nova Scotia system and they would argue the 12—that's lower than the margin was five or six years ago in a great many cases, then you would be putting up the price of gasoline in Metropolitan Toronto and in the Sault and in Timmins and in Windsor and Owen Sound and so forth, by four or five cents per gallon right off the bat.

[5:30]

Mr. Gaunt: All right, Nova Scotia aside, what about coming in with legislation to give a degree of divorcement, franchise legislation, open market wholesale pricing, that kind of thing?

Hon. Mr. Timbrell: These are the kinds of things that come from the Ontario Retail Gasoline Association, the Canadian Federation of Independent Business, Automotive Trades Association and the Ontario Car Wash Owners Association, and these are the kinds of things that we are reviewing with the Ministry of Consumer and Commercial Relations, but always with the two things in

mind: No. 1, the effect on the consumer, and No. 2, whether it will in the long run be in the best interest of the independent businessman, whether it wouldn't just make him a puppet of some regulatory board.

Mr. Gaunt: And your discussions so far have gone beyond the preliminary stage I would presume, because this problem isn't new. What is the general feeling? Do you feel at this point that kind of legislation would not be in the best interest of the consuming public at this stage?

Hon. Mr. Timbrell: From everything I've read, say of divorcement, I think there again you would be saddling the consumer with higher prices. That in particular and that's the extreme, all the way from no guidelines or anything for company-dealer activities, that's one extreme, and the other would be complete divorcement and regulation. That is not in place anywhere so we can't even look to a model. We can only look to some of the obvious things. For instance, if you divorce it entirely, who is going to buy the station at the corner of Bay Street and Charles? It's a lessee that's there now. Can he afford to buy that property from Texaco? Or who is going to buy the station at Yonge Street and York Mills, which is a big Shell self-serve? Who can afford to buy that? To buy places like that you would have to have very large commercial concerns with a great deal of capital behind them to buy the sites from the company to separate them from the companies, and to recover a decent return on the investment for those very valuable properties, who is going to pay? The person who buys the gasoline at the station, and that's just one example.

Mr. Gaunt: What about a dealer's bill of rights. Surely that could be done without incurring additional cost to the consumer?

Hon. Mr. Timbrell: As you know, we do have the guidelines that have been in place for about 1½ years for gasoline dealers. One of the things we're looking at is the possibility of, in one way or another, beefing up or strengthening those guidelines. More than that I can't say, because it is at the stage that we're discussing it between the ministries and we'll have to go to cabinet with whatever we conclude. We haven't forgotten about it.

Mr. Gaunt: Okay, Mr. Chairman, it is 5:30 and I have to go. I do appreciate the accommodation of the committee. Perhaps we can pursue this tomorrow at the appropriate time. Thanks very much.

The committee adjourned at 5:33 p.m.

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Legislature Assembly

Legislature of Ontario Debates

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**ESTIMATES, MINISTRY OF
ENERGY**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, November 18, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

**THE QUEEN'S PRINTER
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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

THURSDAY, NOVEMBER 18, 1976

The committee met at 3:25 p.m.

ESTIMATES, MINISTRY OF ENERGY (continued)

On vote 1802, energy policy programme:

Mr. Gaunt: With the indulgence of the committee, I would just like to introduce one of my constituents, Dixie Cameron, who is here. She comes from RR7, Lucknow, and she's one of our outstanding junior farmers in the province. She's been selected to participate in an exchange visit to Australia and New Zealand. That particular item doesn't really have too much to do with the energy estimates, but I wanted to acknowledge the very outstanding contribution that she has made and that she is with us here today.

Mr. Chairman: Congratulations.

Mr. Gaunt: Mr. Chairman, I have one item remaining with respect to the royal commission on petroleum products. That has to do with the matter of furnace fuel oil. I think the minister has heard me on this one before, having to do with the heating oil zoning system that the companies employ across the province whereby they actually zone areas of the province and do so, presumably according to their information, on the basis of transportation costs. However, the zones which I have in front of me here really bear little relationship, I suggest to you, to the actual transportation costs involved. As I mentioned in the House on previous occasions, I guess at a point in time when Mr. McKeough was the Minister of Energy—

Hon. Mr. Timbrell: As I say, I don't recall it. It must have been before my time.

Mr. Gaunt: Yes. I suggested at that time that the ministry take a look at this particular situation from the point of view of seeing whether this whole zoning procedure couldn't be amended or thrown out entirely. I think it's certainly unfair. I suppose I look at it from a prejudiced point of view in that my own area, my own riding, happens to be

zoned in the most expensive part of the province aside from northern Ontario. There's no part of the province that pays higher heating oil prices than we do, other than the northern extremes of the province. It seems to me that cannot be defended on the basis of transportation costs.

[3:30]

I've suggested that this whole zoning procedure be thrown out entirely. I ask the minister at this point, and I've asked him previously, to see whether the ministry officials could not negotiate with the oil companies from the point of view of seeing whether one heating oil price couldn't be established right across the province rather than having different zones and different prices throughout. I put that to the minister because it is certainly a problem in my part of the province, and I think in many other areas as well.

Hon. Mr. Timbrell: Mr. Chairman, this really comes more under the Minister of Consumer and Commercial Relations (Mr. Handleman) than it does under myself. But I'd have to say that any such move the member suggests means the cost of transportation to some parts of the province would end up being subsidized in the fuel rates of people in other parts. In effect, he is suggesting that in some parts the prices be increased to pick up the transportation subsidy. It's part of the same thing we were talking about yesterday. Once you start getting into it, you're going to increase the prices to consumers.

Mr. Gaunt: It may very well be that consumers in Metropolitan Toronto might have to pay an extra cent for their heating oil. At the same time people in eastern Ontario, western Ontario and perhaps in some communities in the north would be paying less. So that principle is not a new one to the ministry, surely. It's not new from the point of view of hydro rates. Hydro rates aren't set up on the basis of zoning—

Hon. Mr. Timbrell: No, but they're set up on the basis of volume and the basis of

voltage at which the product is delivered—which has to do with the cost of delivering the product. All I'm suggesting is that the royal commissioner looking into this didn't find any evidence that the charges that are brought to bear relating to transportation were in any way out of line, or that there was anything untoward about the system. I understand what the member is suggesting—but that really gets away from a principle which I thought his party stood for, and that is that energy prices should relate to cost—

Mr. Gaunt: And they should. I'm not suggesting—

Hon. Mr. Timbrell:—rather than artificially juggling the rates for one area to pick up some of the transportation costs for another. For instance, if you were to put that kind of a policy in place, you would end up increasing natural gas prices in northern Ontario as compared to the south because of the transportation differences. They're further up on the pipeline and they benefit from that. If you carried that principle to its logical conclusion you would end up juggling the rates all over the province for all kinds of energy to build in transportation subsidies.

Mr. Gaunt: Really what I'm suggesting to the minister is that the zoning procedures which are currently in use and practised by the major oil companies are an artificial device to increase their profit and really do not bear any direct relationship to transportation costs.

Hon. Mr. Timbrell: I guess that's why you have royal commissions that open up the books. I'm saying that there was nothing the royal commissioner found to substantiate that kind of a charge—

Mr. Gaunt: Well, we—

Hon. Mr. Timbrell:—I'd like to see what kind of information you've got that he didn't have, because if you've got that kind of information, then obviously it bears further investigation.

Mr. Gaunt: The commissioner did say—and I read the section yesterday—120, page 53: "In the furnace fuel markets competitive pressures on the producers appear to be less intense than with respect to gasoline. Retail sales typically take place at posted prices. From information submitted and otherwise obtained, the commission was made aware of individual problems but none of general application."

Reading between the lines, I would say the commissioner held the viewpoint that all was not well.

Hon. Mr. Timbrell: When did he say that all was not well?

Mr. Gaunt: He did not say it specifically but I think one could construe that with a little in-between-the-lines reading. He is saying competitive pressures are less intense and that there were individual problems but none of a general application; I would take that to mean that not all is well in the fuel oil business.

Hon. Mr. Timbrell: If you want to be selective and pull out sentences, you can turn to page 88, where he says: "The home heating fuel market is the one sector of the petroleum products market in Ontario that exhibits some signs of retail price leadership." At no point is he saying that competition is non-existent.

Mr. Gaunt: I didn't say competition is non-existent.

Hon. Mr. Timbrell: You're suggesting something that the commissioner didn't say. The commissioner didn't say that from what he found, the whole thing had to be turned upside down; that prices in one part of the province had to subsidize those in others. What he is saying is that you don't have the degree of competition or the company support of dealers that you have in the retail gasoline business.

In fact, just looking at the chart on page 87 which outlines the home fuel oil market shares, about 17 per cent of the home fuel sold in the province is sold, not by direct employees of the majors or agents but by independents who buy their fuel where they can, at the best price they can and then market it to their customers.

I don't think the royal commissioner says what you are reading between the lines. I think he tries to be very careful in his language, but if you have some information that you've obtained, perhaps from dealers or others, that there is something untoward in the marketing of fuel oil which the royal commissioner didn't have, then obviously we'd want to see it. It would bear more investigation.

Mr. Gaunt: I don't know whether it would fall under the category of being untoward. All I'm saying is that major companies have zoning practices which, in my view, are designed solely to increase their profit; they are

therefore a device to attain that and bear no real relationship to the transportation costs involved.

I can send a map and the pricing in each zone to the minister, and I think that would indicate to him that there is a certain unfairness about that.

Hon. Mr. Timbrell: What you're saying, I take it, is that you do not accept the notion of transportation differentials? You don't accept that at all?

Mr. Gaunt: Not to the extent which the prices reflect those differentials. Obviously there are differentials, but I don't think they're as great as the prices would tend to indicate.

Hon. Mr. Timbrell: What do you base that on? I'm asking you that because the royal commissioner didn't find it. If you have some information on which to base that and which is more substantive for your point than anything the royal commissioner had, then I'd like to see it.

Mr. Gaunt: I'll get that. I'm no expert in this field. All I can do is talk to people who are. I would consider that people who are in the fuel oil business are pretty keen and their information is pretty accurate; and they have given me this information, and that's the only basis upon which I can go. They're telling me that there is a problem and that it's unfair; hence my plea here. I can certainly get that information for you.

Hon. Mr. Timbrell: I'd like to see it because, as I say, there was nothing that the royal commissioner found that would substantiate that. Obviously if there was other information that wasn't given to him, we should have it. But the point is, I take it you are saying now that you do agree that where there are transportation differentials that will affect the price as will competition.

Mr. Gaunt: Yes, absolutely.

Hon. Mr. Timbrell: Or the degree of competition.

Mr. Gaunt: I think we have to recognize that 10 miles from the refinery the transportation cost is substantially less than 100 miles and presumably the price is going to reflect that. All I'm saying is that the difference in price between those two circumstances does not accurately convey the difference in transportation.

Hon. Mr. Timbrell: I doubt that transportation is the sole reason. I think the commissioner points out that while there is competition it is not as intense as it is in many of the retail gasoline markets and that has an effect on it as well. You don't have the kinds of price wars in the marketing of fuel oil that you do have in some or most communities from time to time. In some of the communities they have been going on for years, such as in Timmins and the Sault. They drive down the prices and keep them down.

Mr. Gaunt: Well, it's interesting—

Hon. Mr. Timbrell: That's a factor as well.

Mr. Wildman: You don't have to go very far out to find a substantial difference in the price.

Mr. Gaunt: It's interesting that in these zones we've had two examples of this which I've had brought to my attention. One major oil company raised the heating oil prices in the zone and within a day the other majors were in line. There really isn't the kind of competition, *pricewise*, in this deal—

Hon. Mr. Timbrell: When was that? Was that following the Anti-Inflation Board approval to raise prices?

Mr. Gaunt: No, this was before the Anti-Inflation Board ever existed.

Hon. Mr. Timbrell: Certainly, the crude cost increase after the expiration of a freeze would be fairly uniform. If there's any non-crude cost allowance made by the Anti-Inflation Board it would perhaps be less uniform because it tends to deal company by company in those cases and there shouldn't be any lock-step mechanism in that case. Certainly when it's crude related, after the expiration of a freeze, it would be fairly uniform.

Mr. Gaunt: Okay. There's just one other matter I wanted to raise with the minister and it goes back to the whole business of power production and our commitment to the nuclear power source. I had a chance to discuss alternatives at some length with some people who are quite knowledgeable in this particular field and how we can use those alternatives to our advantage. One of those alternatives mentioned was this business about pump storage and I believe Ontario Hydro is looking at that. I think they're considering this particular item in the Delhi plant—

Hon. Mr. Timbrell: No, they have pump storage at—

Mr. Gaunt: Delphi?

Hon. Mr. Timbrell: There are no definite plans to develop Delphi.

Mr. Gaunt: This is of particular interest to me because I think this kind of pump storage power generation has great potential. I understand they're using this now in the Congo and in Malaysia. My friend and colleague from Halton-Burlington (Mr. Reed) is an expert on it. I'm not but I understand that what it involves, and this could be done in conjunction with the Pickering and the Bruce plants, is simply drilling underground. It simply involves drilling a shaft, creating what is called an underground mine; water flows down by gravity feed through a tunnel and through a generator into the underground mine. In off-peak periods that water is pumped back up to the surface and that whole cycle is repeated ad infinitum. This is something, apparently, that can be done in conjunction with the power plants at Pickering and Bruce because they're on the lakes. We have the water source right there.

[3:45]

Hon. Mr. Timbrell: I don't have an iron ring either. I will ask Mr. Frame, who is an adviser in the ministry on electrical matters, to discuss it. There is pump storage now at Niagara, as I am sure you are aware.

Mr. Frame: I was going to say Ontario Hydro is very familiar with the pump-storage concept. They have several units installed at Niagara Falls in a four-bay which is just off the Niagara River, in which they use the excess water at off-peak times to pump up into an area so that they can have additional peaking capacity at peak-load times.

In connection with that, they joined with several companies in developing turbines particularly suited to act, in effect, as a pump and a turbine in the same unit. The one piece of machinery acts as a pump to push up the water and then acts as a turbine to generate power when it falls back down again. Ontario Hydro about 20 years ago took the lead with a company to develop this particular piece of machinery. The turbines were built in Toronto by the John Inglis Company and the designer was the English Electric Company of England. Mr. Gavin Warnock who was the engineer

is now the vice-president of H. G. Acres Company. They took the lead 20 years ago. The things that you talked about in Africa and other places to a good degree came out of Ontario Hydro's lead.

I happened to have been an employee of the English Electric Company at that time and was quite familiar with it. Hydro has looked at the possibilities around the province. Delphi Point is a possibility but there are no plans at all at the moment. I think you probably are familiar with the Delphi Point area and recognize that it has the potential. Hydro has admitted that it has the potential but certainly has no plans at the moment for Delphi Point in that area.

They acknowledge pump storage as being a very valuable concept, a good assist to the hydraulic systems and something they will always be looking at.

Mr. Gaunt: It is possible actually to build this kind of generation at Douglas Point and at Pickering, given the fact that those plants are on the lake or is there something additional that would prevent that?

Mr. Frame: The pump-storage plan is an operating connection with hydraulic generation. The Bruce nuclear power development, Pickering and Nanticoke are all thermal generation plants and they're in areas where—

Mr. Gaunt: Does it depend upon the land?

Mr. Frame: It depends upon a height of land being available essentially.

Mr. Gaunt: The fact is that Pickering is on a lake and Douglas Point is on a lake, and you simply create the gravity feed by going down under the lake and the water runs down the tunnel or the shaft.

Mr. Frame: You're thinking of going into a mine area—

Mr. Gaunt: Right on the lake.

Mr. Frame: —by creating the tail race down into a mine somewhere.

Mr. Gaunt: Yes, and then pumping your water back up.

Mr. Frame: Dr. Johnson has just touched my arm here. Probably he's more familiar with that concept than I am.

Dr. A. C. Johnson: I don't think the validity of the pump-storage system is really an alternative, as you suggested, Mr. Gaunt. It is very valuable in the case where you already have one source, such as water over Niagara

Falls, and you find that during a certain period of the day you are not able to use it and have surplus water which would be wasted during that slack period of the day. Instead of wasting it, you can continue on generating electricity and use it to pump water uphill. Then when you need it the next day at peak time, you can allow it to come down again or, using your system, during the peak time you can let the water fall to the bottom of the mine pit, then in the off-period during the night perhaps you would pump it back up again so you could use it once more. It's not really a new source of energy; it's just a utilization of a present source at the off-peak period of the day.

In the case of the nuclear reactors at Bruce and Pickering, those are base load. The way we're operating now, those will run 24 hours a day, providing electricity which is used 24 hours a day. Perhaps in 10 to 15 years' time we will have so many nuclear reactors that they will be able to supply more power 24 hours a day than we will need to use all day long. You would tend to say, "Well, shut some of them down overnight." It so happens the operation of a reactor doesn't make it easy to shut down overnight and start up again the next morning, so you would want to operate 24 hours a day even though you didn't need it in the middle of the night. When that situation develops, and it might be 10 to 15 years before it does, then your scheme is an extremely valuable suggestion. I'm sure that Ontario Hydro even now is considering these plans so it will be ready to put them into effect in 15 years time when it would be appropriate to do so.

Mr. Reed: Mr. Chairman, I don't know whether it should be a point of personal privilege or not, but my name was taken in vain a few minutes ago and I was very loosely referred to as something of an expert. On the strength of that I'm asking not to be ruled out of order if I comment that I think my colleague's comments about pump water storage in the hybrid system in connection with a nuclear system are rather valid. They do have the effect of turning what is actually a base-loading operation and a system which is confined to base loading, into a flexible type of system because of the flexibility of the hydraulic component. I think that's the point he's trying to make.

Hon. Mr. Timbrell: The point is that that's certainly valid when or if you get to the point where the plant is not needed as a 24-hour-a-day base-load plant.

Mr. Reed: Yes, I think perhaps one could extrapolate that just a little further and say there must be an economic trade-off between a pump-storage nuclear hybrid system, vis-à-vis a fossil-fuel burner as a peaking device.

Dr. A. C. Johnson: Yes, I think this is quite true, but with the present cost of fossil-fuel-created electricity being so much higher than nuclear-produced electricity, we probably would not do this pump storage with fossil fuel.

Mr. Reed: Oh, I didn't mean to mislead you. I think the point that's being raised here is that a pump-storage nuclear hybrid may have a cost validity which precludes further development of fossil-fuel systems.

Dr. A. C. Johnson: Yes, I agree—

Mr. Gaunt: That's really what I'm getting at, and I'm told that if the pump-storage facility were developed from that point of view at Pickering and at Bruce GS, over a period of years it would replace any need for an additional nuclear plant. My information may be wrong on that but I'd like your comments.

Dr. A. C. Johnson: As long as you're using the present nuclear stations 24 hours a day for producing electricity which is utilized by the community, the citizens of Ontario, then you have no surplus electricity during the evening hours in order to be pumping water uphill. That was the point I was making. The design of the system and the way we're expanding it might mean that in 15 years time we will have nuclear reactors on the system which will not be used 24 hours a day, because we just don't need all that electricity 24 hours a day.

We need it in the peak, of course, but in the graveyard period, overnight, we would possibly want to shut those reactors down because we just don't need the electricity from them. But it's not desirable to shut them down. The thing to do is to keep them going, producing their electricity, and try to store that electricity some way or another. An easy way of storing it is exactly the way you're suggesting—that is, pumping water around—because if you pump the water uphill during the midnight hours, then it can fall downhill during the daytime hours and once more you can get your electricity back.

Mr. Gaunt: Do you mean we're using as much electricity at 2 o'clock in the morning as we are in the middle of the day?

Dr. A. C. Johnson: No. At 2 o'clock in the morning we are using more electricity than

we're producing from the nuclear stations. But 15 years from now we may be using less electricity than we're producing from all the nuclear stations and, as I say, it's very important to realize you don't shut nuclear reactors down every six or eight hours and start them up again. You have a bit of a problem doing that.

Mr. Gaunt: The concept that Ontario Hydro has at the moment then is that basic energy requirements are going to be met by the thermal—

Dr. A. C. Johnson: Nuclear thermal if possible—

Mr. Gaunt: Nuclear thermal generation.

Dr. A. C. Johnson: —because, first of all, that's an extremely low-priced way of providing our electricity and then, secondly, since they're such high capital beasts that you're going to have to pay for the capital anyway—

Mr. Gaunt: You can't afford to shut them down.

Dr. A. C. Johnson: Well, you want to use them at as high a load factor as possible.

Mr. Frame: Mr. Gaunt may be interested in the latest figures we've seen on the cost of operation of Pickering. I think the minister has them in his book. When the report was done, fuel costs were \$1 per megawatt-hour for nuclear, about \$12 per megawatt-hour for a coal-fired station, about \$14 for oil, about \$15 to \$16 for natural gas. You can see the fuel cost differences are quite significant.

Mr. G. I. Miller: How about water?

Mr. Frame: Water rentals come in at various prices, depending upon what river you're on. If you want to relate that fuel cost to overall cost, at Pickering the fuel cost was one mill per megawatt-hour to about eight mills total cost, whereas established hydraulic generating stations—by established, I'm talking about things like Adam Beck on the Niagara River and the Robert Saunders down on the St. Lawrence—are probably down around the six-mill area; they were originally operating down around two or three mills but they're up because of the higher operating costs for manpower.

New hydraulic stations to be built now—and that is the situation you would be facing if you built one up on the Albany River—come in much higher than thermal. The cost of hydraulic power from a new hydraulic station is probably up around 14 mills, compared with six or eight for existing hydraulic,

around eight for nuclear and 10 or 12 for fossil.

To give you really alarming figures of other people's experience, the James Bay development for Hydro-Quebec was originally estimated to cost \$4 billion when the project began. Hydro-Quebec's latest estimate is \$16 billion. So hydraulic generation has become very expensive.

Mr. Chairman: I have the following list of speakers: Miller, Lane, Reed and Williams indicated yesterday that they would like to speak on this vote; today we have Wildman, Johnston, Makarchuk, Gigantes and Moffatt. I would just like to remind the committee that there was an agreement that we would conclude these estimates tonight.

Ms. Gigantes: Mr. Chairman, during the questions that I was asking yesterday, it was indicated to me that the ministry would be able to provide information on the total amount of money invested in wind and solar projects by the ministry. I'm wondering if that information is available.

Hon. Mr. Timbrell: I have a series of your things to respond to from yesterday—

Ms. Gigantes: I didn't expect an answer to the whole list today, but I did want to get that before the committee—

Hon. Mr. Timbrell: The only thing is, given the fact that we're not a big ministry, I'd like to try to answer some of them today to avoid a shuffling of papers from our office to yours. If we can answer a good number of them today, then that will be that many fewer hours I've got to set people writing letters.

Ms. Gigantes: I don't want to impede the motion of the committee.

Hon. Mr. Timbrell: When we get to your name on the list, perhaps we can touch on a lot of these bases.

Ms. Gigantes: I don't think we're going to get there, quite frankly.

[4:00]

Mr. G. I. Miller: Mr. Chairman, I was wondering what is being done in the field of natural gas in Ontario, particularly as far as development is concerned. I think the minister is well aware of the fact that one year ago, perhaps right about now, they were getting 40 cents a thousand for their gas. This was discouraging rather than encouraging development in Ontario. Has that been alleviated at this time?

Hon. Mr. Timbrell: My understanding is yes. In fact, the particular Union, which is one you'd be concerned about, has been negotiating new contracts and the prices of the new contracts certainly have been closer to the city-gate levels than was the case a year ago. Maybe Mr. Clendining can give us some numbers. I can't remember the exact numbers of the kinds of contracts that are being negotiated, but certainly the problem is nothing like it was a year ago.

Mr. Clendining: Mr. Chairman, I have numbers in my memory—wellhead prices in the order of \$1.30 to \$1.35 per mcf. That's on the present city-gate price of about \$1.40 being offered now by Union to current producers.

Hon. Mr. Timbrell: They're not exactly the same as city-gate prices are they? The point is that they're discounted to allow for the transportation differential.

Mr. Clendining: There is a discount based on reliability of supply and, of course, a differential for transportation gathering into the system.

Mr. G. I. Miller: Is there any drilling going on at the present time? Is this encouraging exploration?

Hon. Mr. Timbrell: I certainly think it is encouraging drilling. There's a lot of Lake Erie drilling, for instance. Mr. MacLean would know. Would you repeat the question?

Mr. G. I. Miller: Yes. Is there much exploration drilling being done in Ontario at the present time for natural gas or oil or energy, period?

Mr. MacLean: Yes. This actually falls within the Ministry of Natural Resources, as you might be aware, from where I've come recently. But there's an average of about 180 wells a year drilled in Ontario and approximately 45 to 50 of those are drilled on the Crown lands within Lake Erie.

Mr. G. I. Miller: There's not really a lot of exploration, though, taking place up to this point in time. Would you have to agree with that? Are you encouraging it as far as the Energy Ministry is concerned? Is there any encouragement along that line?

Hon. Mr. Timbrell: It's not just the Ministry of Energy. It's the Ministry of Natural Resources that deals directly with Ontario explorers through the petroleum resources section—I guess that's its proper title. Mr. MacLean used to head it up before he was successful in competition for a position with

the Energy Board. But, certainly, we want to see as much exploration in the province as possible.

Mr. Makarchuk: Mr. Minister, on that point, I want your opinion. Do you not feel that perhaps that kind of function should be more sensibly located under your ministry instead of the Ministry of Natural Resources?

Hon. Mr. Timbrell: This is something—

Mr. Makarchuk: If you're going to try to localize the functions or attribute responsibility to one ministry where it should be attributed—at least I think they should be—

Hon. Mr. Timbrell: I think the point is that Energy is a policy ministry and not what you would call a line ministry. Things like the petroleum resources section were left and are still in Natural Resources; the energy safety branch is still in Consumer and Commercial Relations and it carries out specific functions. But as far as the government as a whole is concerned, we want to see as much exploration in the province as is feasible, given the potential. You realize that about a half, I guess, of the gas produced in the province now comes from Lake Erie—

Mr. MacLean: Yes, a little in excess—

Mr. Makarchuk: Yes. But wouldn't you feel the fact that the policy comes from your department obviously—you'd want to take the direction for servicing the energy needs of Ontario—should it not come from your department? Wouldn't it flow naturally, if I can use that term, that the search and the development of natural gas should also come from your department?

Hon. Mr. Timbrell: Only if you make a conscious decision that you're going to move the ministry beyond the point of being a policy body and into a line ministry. I don't know how many staff there are between petroleum resources and energy safety but you would obviously enlarge the ministry considerably, and spread our people we have now thinner.

Mr. Makarchuk: If I were in that position I would make that conscious policy decision, absolutely, because I think energy is a rather important issue.

Hon. Mr. Timbrell: I suppose if there were some feeling that we weren't encouraging it enough then perhaps we would consider that. I think, given the geology of the province, what I have been told of it over the last couple of years, and the return, the level of

exploration is very good. In the last year, we have seen these contracts between distributors and producers being renegotiated to much higher levels. I think there is, in fact, more of an incentive, so that the fact that the petroleum resources section is in the Ministry of Natural Resources really is not the point. The point is, is the job being done? I think the job is being done and that moving it to Energy would not make its operation any more or less worthwhile.

Mr. G. I. Miller: Maybe I could bring to the attention of the minister that going back over the last three or four years, in our area—and again it is a gas-producing area—I think there has been no encouragement; really the fact has been that Union Gas have been allowed to take their own lines out of the county. We have to be more dependent on western gas the same as we are with coal for our hydro facilities. It just appears that we are going a step in the wrong direction.

I think the minister made a statement the other day that we ruined our potential for gas and oil in Ontario. I just wonder how that was related. I made a note of it.

Hon. Mr. Timbrell: What I said was from what I understand what wells were delivering back in the last century, over 100 years ago, that some pretty crude extraction techniques were employed. Again, Mr. MacLean would know more about this than would I, but those techniques resulted in a number of fields and particularly wells being destroyed. There was a lot of infilling and their output was either wiped out entirely or reduced significantly. Maybe you could comment on that. This is something that came up yesterday.

Mr. MacLean: No, you are quite correct. It is the science of producing and drilling and developing a reservoir were not known in those days, so a number of wells were drilled under the old laws of capture, sometimes 25 feet apart, which had the effect of damaging the reservoir, and coning water into the reservoir. So, in effect, in the Petrolia area today you probably have in the order of over 90 per cent of the oil still in place in that reservoir that cannot be recovered because of the—

Mr. G. I. Miller: Too close proximity.

Mr. MacLean: That's right.

Mr. G. I. Miller: In our particular area I think about 1,000 feet apart was a rough way of arriving at sites.

Mr. MacLean: There are spacing regulations today recognizing this thing.

Mr. G. I. Miller: Again, I don't believe there has been any deep drilling to any extent. There are only two wells to my knowledge in Ontario, and those are the Cambrian wells which are supposed to be utilized—or it is being discussed—for waste disposal. I know there are old drillers in the area—one in particular is Bruce Mehlenbacher, who has done a lot of witching or divining for gas; he feels certain that there is gas in those particular areas. I think there is something like 900 pounds of pressure. There is a bit of gas in one well now, I think it is at something like 900 pounds pressure in that area and again I could stand for correction, but I still feel the potential really has not been explored.

Mr. MacLean: There are a number of Cambrian wells in Ontario producing today.

Mr. G. I. Miller: Producing. How much? Do you have any idea?

Mr. MacLean: I would estimate in the order of about 90. There is the Gobles pool, the Clearville pool.

Mr. G. I. Miller: What location?

Mr. MacLean: Gobles is north of Woodstock, Clearville is down—

Mr. Makarchuk: No, no, no. West of Woodstock.

Mr. MacLean: Well, okay, yes. Just generalizing.

Mr. Makarchuk: Brant county is an oil-producing county.

Mr. MacLean: Yes. The Clearville pool, the Willey pool are Cambrian oil-producing pools in the province and have been producing for a number of years. Kent county is being actively explored at the moment in this area.

Hon. Mr. Timbrell: Just on your point of the volumes coming into the system, you might be interested in some of the Ontario natural gas balance in 1975. Our total supply that year was 715 trillion, 505 billion, 589 million cubic feet. Of that, 10 trillion, 935 billion, 471 million came from Ontario. That represented one and a half per cent of our gas needs. The change in 1975 over 1974 was an increase in deliveries from Ontario sources into the system of 45.1 per cent. Receipts from western Canada were off

0.2 per cent. Receipts from the United States were off 23.3 per cent, I guess because of the Panhandle contract expiring with Union. Propane air was off 34 per cent. So in fact the deliverability of the province was up substantially.

Mr. G. I. Miller: Percentage-wise.

Hon. Mr. Timbrell: Yes.

Mr. G. I. Miller: That's encouraging; a step in the right direction. I think the potential is there, if it was only allowed to develop from a profit-and-loss point of view, which hasn't been the position in the last number of years. It was cheaper to buy western gas.

Hon. Mr. Timbrell: That's where we started out. The fact is that at this time last year—and I had heard from some producers even before estimates last year—I guess the majority of the contracts were at about 35 to 40 and maybe sometimes 45 cents per mcf. Now, as Mr. Clendinning has said, it's up to the point where it's maybe a nickel to 10 cents less than the city-gate price, Toronto, for western gas. So there has been a significant improvement in the return to the producers.

Mr. G. I. Miller: There has been a roll-over.

Hon. Mr. Timbrell: So the point is that the main incentive in any market, namely the price incentive, is there to go out and find more.

Mr. G. I. Miller: There is another area of concern and that is the production at the Nanticoke hydro generating station. What capacity is it running at at the present time?

Hon. Mr. Timbrell: I think the installed capacity of Niagara is what, 2,000 megawatts roughly?

Mr. G. I. Miller: Fifty per cent?

Hon. Mr. Timbrell: No, no. The installed capacity at Niagara is what? Two thousand megawatts?

Mr. G. I. Miller: At Nanticoke. Nanticoke, yes.

Hon. Mr. Timbrell: Oh, I'm sorry. I thought you said Niagara.

Mr. G. I. Miller: No.

Hon. Mr. Timbrell: At Nanticoke the installed capacity is what, about 3,400 megawatts, isn't it?

Mr. Frame: Nanticoke has six units at present installed at 500 megawatts each. It has a total capacity of eight. The last two are not yet operational. There was a serious fire at Nanticoke, as you know, about a year ago—

Hon. Mr. Timbrell: Two years ago.

Mr. Frame: —and that delayed the installation of one machine.

Hon. Mr. Timbrell: Two years ago; August.

Mr. Frame: Two years ago; July 31, 1974. Six of the machines are now running, but at any given time one of them may be down for maintenance. There is a high maintenance factor on that type of equipment. Ontario Hydro publishes a bulletin monthly, which we get but I don't have it with me, giving the availability of each of its major machines, with Nanticoke being listed. I think there's no major breakdown on the first six units at Nanticoke, other than that some of them may have been down for regular maintenance.

Mr. G. I. Miller: How much power is being utilized at the present time, then? What is it putting into the system?

Mr. Frame: It has the potential for 3,000—six times 500—3,000 megawatts. At the present time, in November, we don't have that information available. I would suspect the summer maintenance programmes have been completed and that Hydro is probably getting ready to run all six units for the next few months. I can't say for sure, but the usual plan is to have your major generating units available over the peak winter period. The peak period is usually expected between December and the early part of January. Last year it came on February 5. That was quite unusual. I would anticipate that Hydro would have all six of the units at present commissioned available over this peak period, but I don't have any definite information on that.

[4:15]

Mr. G. I. Miller: One other concern about the Nanticoke site is the fly ash disposal. Has anything developed to utilize this ash? Were there some thoughts about using it for blocks of some type?

Hon. Mr. Timbrell: Concrete block? I think there were. In fact, don't some companies in the cement industry buy some of the fly ash for cement block content?

Mr. Frame: Yes. Hydro has a fly ash programme involving experiments for the use of fly ash. They have contracts with several companies who purchase fly ash. One is with General Concrete out in Stoney Creek; they are using it for some of their concrete products. Another is with an asphalt company which is using it to pave running tracks. I'm familiar with that one because one of the first was put down at a high school near my home in Burlington.

Mr. Reed: Did you race on it?

Mr. Frame: Mr. Reed no doubt is familiar with that one. They're looking at any and all possibilities of using fly ash, the reason being that there's more of it available. They are taking more fly ash out because they're using precipitators and they're looking for ways of disposing of it. If they can sell it to people, it's much easier than having to dispose of it.

Mr. G. I. Miller: Wasn't the lagoon system for, say, the Nanticoke generating station site designed for perhaps 20 years? Wasn't the lagoon designed for that length of time?

Mr. Frame: It's possible. The fly ash programme is running in connection with the Lakeview Generating Station in the New Toronto area, but there aren't enough outlets to be able to dispose of the fly ash from all stations. As yet, they don't even have enough outlets to dispose of all the fly ash from Lakeview. So you're right; they probably have a system of containing and disposing of fly ash at Nanticoke. They're actively trying to expand the product use for fly ash, but it's experimental at the moment. Until they get some more experience with the fly ash and more people are convinced of its worthiness or they find more ways to use it, it'll be a slow process.

Mr. G. I. Miller: Is this reported any place where the people around the Legislature can keep tab on what progress has been made?

Mr. Frame: I believe Hydro have a research report on it. Where it has been prominent most recently was in one of their bulletins called Hydro News, which carried a feature story about a year ago about all the work that was being done. The front cover—Mr. Reed may have seen it—was the running track in Burlington.

Mr. Reed: Yes, I remember seeing that.

Mr. Frame: I think there's a research report available on it, but it's a marketing

problem to a good degree as well as a research problem.

Mr. G. I. Miller: Thank you. One other concern, Mr. Minister, is the fact that we have 2,600 dams around Ontario damming up water, and the Grand River is of concern to myself. I wonder if there was ever a study made on the potential of, say, the Grand River system as far as creating energy?

Hon. Mr. Timbrell: There is, as your colleague from Halton-Burlington (Mr. Reed) knows, a complete list of potential hydraulic sites in the province which Hydro has given to the royal commission. The capacities range from something like 10 megawatts—maybe even lower—up to the hundreds. I don't have the list here. I can't recall whether the Grand is on there, but I assume it would be. I can send you the list.

Mr. G. I. Miller: I believe there was a study made back in 1895 or something and updated in 1943, I believe. Is that available at the present time?

Hon. Mr. Timbrell: Even at that, you're pre-dating me. But I'll send you the list. I'm really not aware of whether there was—

Mr. G. I. Miller: Would you look into it and see if that is available? And if it's not available, perhaps it could be made available.

Hon. Mr. Timbrell: Is it specifically on the Grand River?

Mr. G. I. Miller: No, I think it covered all the waterways in Ontario, but the Grand River in particular.

Over the past 15 years there have been many dams provided for flood control. Water is just running over them and providing nothing in return. As a matter of fact, I was think about pumping that water back up. We are presently installing a heavy pipeline system into the Nanticoke site which could perhaps push the water up to Kitchener in the future. When the water is coming back down the Grand, it could be utilized; it's on the same principle only on a little different scale.

Hon. Mr. Timbrell: I think then what you are talking about is this list of potential hydraulic sites that I referred to, and I will send it to you.

Mr. G. I. Miller: In particular I would be interested in knowing the capacity of the Grand River. I think it is one of the larger rivers in southern Ontario.

Hon. Mr. Timbrell: I can't recall all of the specific sites on the list but I am sure the Grand is on there. It comes down to a question of economics. As Mr. Frame mentioned, recent experience in the Dominion on the development of hydraulic sites has not been good in terms of the cost relative to nuclear or fossil-fuelled stations.

Mr. G. I. Miller: That's true. I think he mentioned the James Bay project, which is really remote—in the construction field it has to be in the remotest area—and which contributes to the cost. Where you have the access, and the dams are already established or perhaps they are in a rebuilding process, maybe they could and should be utilized.

Mr. Makarchuk: Before you build the dams on the Grand, don't forget that if you raise the water about 10 feet, about a quarter of Brantford gets flooded. Just bear that in mind.

Mr. Reed: You might not be able to get your 40-foot yacht quite as far up.

Mr. G. I. Miller: What I would kind of like to get is a channel up there so you could get your yacht home. Thanks very much for the time.

Mr. Chairman: Mr. Lane?

Mr. Lane: Mr. Minister, one of my concerns is regarding the pulp and paper industry. Do these companies buy their power directly from Hydro or do they buy it through the utility in the town where they are located?

Hon. Mr. Timbrell: Well, it would be one of three ways. There are some, such as Ontario Paper at Thorold, who would buy direct from Hydro. There are some who would generate their own, such as Great Lakes, who also generate enough electricity to sell some to Sault Ste. Marie. There are also some, up in Thunder Bay, I guess, who would buy directly from the local utility, and not directly from Hydro. So it falls into three categories.

Mr. Lane: What I am concerned about is that in Espanola the cost of operation has gone up tremendously in recent months because of the increase in rates. There has been some discussion here in the committee about having a flat rate where there would be no discount for the amount of kilowatts used. Also, of course, there have been some members saying it should be completely reversed from what it is now, that is, the more kilowatts you use, the more expensive it gets.

This being the case, sir, we would be hard-pressed to keep our jobs and to have any expansion in this industry. I know they are looking at the increased costs very seriously in Espanola at the moment.

Hon. Mr. Timbrell: This is certainly one of a number of valid reasons for sending the costing and pricing study on hydro rates to the Energy Board for public hearings, because built into the proposal for industry are things like time-of-day pricing and peak-load pricing. Certainly in an industry where they can't shift activities off the peak—I don't know whether that's the case at the mill in Espanola or not—then, as I read the proposal, there would be a significant increase for an industry like that.

These are the kinds of things that have got to be aired at the Energy Board, whether it's by industry associations or individual companies, to indicate what effect the proposal would have on them and what effect, therefore, that would have on the economy in a given community or district. Obviously we don't want to drive industry out of the province. If anything, we want to continue to attract industry to the province. When the board makes its findings after the hearings, this is the kind of information they have got to have in front of them. They must know not just the impact that such a proposal would have on the residential rates, which is certainly important, but also the impact it would have on the places where people work.

Mr. Lane: I certainly appreciate that there is concern about it because I know Eddy Forest had planned to expand and maybe increase the job potential by 300 jobs. But looking at their power bill in the last few months, they are having second thoughts about it. Certainly if we were to reverse the trend and charge them more for kilowatt-hours used rather than less after a certain point—

Hon. Mr. Timbrell: Mind you, I suspect that once Ontario has gone through this process and established a new rate structure, it won't be long before the other provinces will follow suit, since we do tend to be the leaders in the country in most aspects of hydro-electric utilities.

Mr. Lane: I won't refer to that any more. You were talking yesterday about travelling around the country and talking to the various Premiers and ministers responsible for energy throughout Canada. I understand

that there is an interprovincial-grid study under way. Is there any status report on that study at this time?

Hon. Mr. Timbrell: There is a meeting here in Toronto later this month, I guess it is, to clean up the terms of reference. There was a chairman of the study—a Mr. Lloyd I think was his name, from Saskatchewan—who resigned as chairman. Apparently he was appointed to some more senior position and he had to give it up. So they're meeting to choose a new chairman and clean up or get final concurrence on the terms of reference. It might have had to be done anyway, with the election of a new government in Quebec, which will want to take a look at those terms of reference and be sure that it agrees with them.

But we expect, I guess in late 1977, to have a report on this. The federal government is going to pay half the cost and the provinces will pay their share as prorated on the basis of population. Ontario's share of that study is, I think, \$54,000.

Mr. Lane: So it's proceeding reasonably well and we'll have some useful information?

Hon. Mr. Timbrell: Yes.

Mr. Lane: Mr. Chairman, before I ask a third and a last question, I want to make a comment or a suggestion. Maybe I should remind the hon. minister that the 1971 election brought in a fair amount of new government members. He and I were among them, and he was probably the most junior and I was probably the most senior one at the time. You're now the hon. minister, and I'm probably less honourable but I'm still older.

Hon. Mr. Timbrell: No, I had a talk with your wife yesterday and I have no doubts about your honour.

Mr. Lane: I'm glad you were speaking to her about it, but in any case, I trust that the suggestion I'm going to make will be treated rather kindly because of my age and you'll take that into consideration.

In any case, Mr. Gaunt and others have raised the question about unfair fuel pricing. This is really a great concern of mine and has been ever since I have been a member. I've voiced it many times and I guess I'm voicing it once more. You suggested yesterday that there are variations in gas prices between places that are close together, such as Niagara Falls, New York, and Niagara

Falls, Ontario. Due to gas price wars right in my own riding there's a 15-cent spread in price. I can buy it 15 cents cheaper in Espanola than I can in Gore Bay—84 against 99 cents for non-leaded gas.

Under normal conditions the prices are considerably higher in the north than they are in the south. Yet right in my own riding we have Little Current and Cutler reserve with large storage tanks where the fuel is all loaded from boats and delivered from there by truck, yet Little Current is one of the high-priced areas, with a large storage tank there.

I've always felt and I still feel that for gasoline and other basic commodities the price should be equal all across the province. We people from the north realized when we decided to live in the north that we were going to use more fuel to do business up there, because to do the same business we have to travel farther from point A to point B than we would in the south with less mileage and less fuel cost. We accept that. We accept the fact that it's colder up there and there are more winter months and lower temperatures and we are going to have to burn more oil over a longer period of time as well. That's part of being a northerner but what I don't accept is the fact that we should be paying 15 cents or so more for the gasoline and oil that we use.

[4:30]

I think all the oil companies distributing in this province, whether they are distributing to their company-owned retailers or to independent retailers should be required to lay down their product at the same price anywhere in this province at that final retail outlet. This would allow one retailer to decide whether he wanted to have a self-serve station, sell a lot of gas and make a small mark-up per gallon and let the other fellow decide that he wanted to have a fully operative service station and sell his gasoline by selling service.

It just seems to me that all of the oil companies distributing in this province should be required to lay down their product, whether it be to an independent or to their own stations, at the same price. We are still leaving some flexibility to the retailer and we are not taking away the private enterprise aspect of it. He can decide to do it several ways to compete with his neighbour. That would make it fair to everybody in this province.

While some people in the south may think it's unfair probably to have an equalization

of prices across the province, when one thinks of the millions of people who live in the south and the few hundred thousand who live in the north and when one thinks of the fact that the "golden horseshoe", as we call it, is the golden horseshoe basically because of the great resources it gets from the north, then there is no reason in my mind why this shouldn't be the case.

This is why I made that little attack on you a few minutes ago about my seniority and age because I realize that otherwise you may treat this with not too much thought and deliberation. I would hope that you really would think about it seriously. I think it could work and it should work and that the people of the province would buy it and the people in the north are entitled to it. I don't want you to say yes or no today. I would like you to sleep on that one for a while. I really think a great deal of consideration should be given to that type of problem.

Hon. Mr. Timbrell: It is something to which I have given a great deal of thought. Let's set a couple of things straight. When people talk about price differentials between north and south, invariably what they do is pick the highest price they can find in the north and pick the lowest price they can find in the south and try to paint a picture that says that everybody in the south is paying that low price.

Yet over the summer we did keep tabs on prices. In the middle of the summer, gasoline in Toronto was about 78.9 cents a gallon. At the same time in Sault Ste. Marie, the prevailing pump price of regular gasoline was 76.9 cents a gallon. It was 78.9 in Timmins. I don't have the figures for Sudbury here but, by and large, they were about 78.9 or 79.9. At the same time in Toronto, 78.9 was the general prevailing price.

There were places—self-serve and independents—where gasoline was as low as 72.9 or 73.9, if not lower than that. In fact, they were lower than that. There were stations in my riding, independents, who were selling gasoline in the summer for 68.9 and 69.9 but there were also stations in Toronto, such as one on Bay Street, where gasoline was 93.9 and 94.9. In fact, in many stations in the south gasoline was more expensive than in many parts of the north—for that matter in many parts of the whole province.

It is basically a function of three things:

One, the relative lack of competition—the fact that in a centre like Timmins, or Thunder Bay, or Windsor, or Ottawa, or Toronto, you do have more penetration by the independents, you do have more of a penetration

of such marketing techniques as self-serve. I dare say in Little Current there is not a self-serve station.

Second, you do have a transportation differential. The distribution margins we found in Toronto, for instance, were about 0.49 cents a gallon. In the Sault, even though the price was two cents a gallon less, the distribution cost was 3.82 cents a gallon. And in Timmins, where the price was exactly the same as Toronto, the distribution cost was 7.2 cents, but because of competition and, again, because they have got things like independents and like self-serve and that sort of thing and company support to the dealers, then the prices were the same or lower.

You also find that dealer margins are higher in the north. Just to give you one example, let's compare Red Lake, a place which is often referred to. In the summer their price was 97.9 cents compared to the Winnipeg price of 78.9 cents—I compare it to Winnipeg because their product in that part of the province does come from the refineries in Winnipeg. That's a differential of 19 cents.

There is 7.52 cents of that for distribution, to get it from Shell, Imperial or whichever refinery they talk about in Winnipeg to Red Lake. The dealer margin at that time in Winnipeg was 8.5 cents a gallon. The dealer margin in Red Lake was 17.5 cents a gallon. So there was a further nine cents, and the refinery net back—in other words, when you take all these things off, the money going back to the refinery—was 2.48 cents higher.

Let me just go back to the Sault. The refinery net back in the summer was 37.71 cents per gallon to the refiners in Toronto. The net back in the Sault in the summer was 32.38 cents; it was actually 5.33 cents a gallon less than the refineries were getting per gallon in the Sault. In Timmins, the comparison was 37.71 to 30.51 cents, so the companies were getting 7.2 cents a gallon less in those markets.

There is no question—and we discussed this yesterday—we could go to a gas price regulation system, as has been suggested, to, if you will, equalize. I don't think you could possibly "equalize" gasoline prices in the province unless you also regulated the dealers, unless you told those dealers in Red Lake who are getting 17.5 cents a gallon, or the dealers in Dryden who are getting 12.5 cents a gallon, or those in Kenora who are getting 13.9 cents a gallon, that that's too high; that you are going to have to come down to some provincial average.

The effect of it all would be that you will increase the prices in about 97 or 98 per cent of the market in the province—and you would have to. Let me make it absolutely clear, you would have to regulate the individual station operator. You know, I'm sure, that in the north a much higher proportion of the stations are actually owned by people whose names appear above the doors, the actual property, than is the case here in the south. I suggest that what you would find is that the prices would be higher across the province. This has certainly been the case in Nova Scotia, where they have regulation by the Public Utilities Board of Nova Scotia for the last three or four years. The price of gasoline today in Halifax, under regulation, is 10 cents a gallon higher than it is here in Toronto.

Mr. Makarchuk: You have to take into account the special conditions that exist in Nova Scotia and New Brunswick, with Irving being pretty well in total control.

Hon. Mr. Timbrell: In Nova Scotia you've got all the majors in there. You've got Shell, you've got Gulf and Imperial, as well, I grant you, as Irving.

Mr. Makarchuk: Where do they get their raw?

Hon. Mr. Timbrell: That's not the point. The point is they're regulated. They're regulated on the basis of a reasonable return. Their dealer margins are regulated, a minimum of 12 cents dealer margin, so that the dealer in Toronto who, in the summer was getting 7.8 would move up 4.2 cents a gallon on the dealer margin and the guy in Red Lake would drop 5.5 cents a gallon.

Mr. Makarchuk: The problem there is the same as the problem in Ontario. I was in the Maritimes this summer and, despite the fact that they would be bringing in their crude from Venezuela and so on, they're getting gasoline at the same price that anybody else would with the federal subsidy, of course. Next to the refineries, and the refineries are there, the transportation costs are not that high but their prices were probably about 10 to 15 cents higher than what they were in Ontario.

Basically, it's not their production costs that's driving the prices up there. The reason that the prices are where they are is because you have a monopoly situation, and you also have a couple of governments that are really not that concerned despite the façade of trying to control the prices. They would some-

times roll back or insist on a freeze when a by-election was going on.

The fault with that ministry and this ministry is the fact that you're prepared to talk and you're prepared to collect a lot of little figures, so much here and so much there, but you're not really prepared to move into the energy business in the way that at least you would provide a sort of competitive edge and you're leaving everything at the mercy of the oil companies in this case.

Hon. Mr. Timbrell: No, I think in point of fact, Mr. Makarchuk, I don't know whether you've read the report from Dalhousie University on gasoline marketing in Nova Scotia, but what they find is that, in fact, the regulatory system—and this is the only model we can look at in considering it and I've honestly tried to keep an open mind when the suggestions come forward—looking at this model and looking at the review of it, the government studies programme at Dalhousie University, Halifax, Nova Scotia, they find that, in fact, the regulatory system has put the price higher; that it has done away with competition in the province of Nova Scotia and, as a result, the consumers are paying more than they would if there was, in fact, a competitive market in that province.

Mr. Makarchuk: What you are saying, Mr. Minister—I'm sorry, I'm not being rude here, but in a sense you're talking about competition. There is no competition among the oil companies. Sure, you'll find the odd little operator who is competing with others in the process. What he really does is, he ends up subsidizing the oil companies because he brings his savings into the business and after he's been milked dry by the oil company he goes out peddling milk, or something like that by truck, but he's out of a job. This is where the competition is. That is meaningless competition. If you really want to regulate it into that area, you're regulating nothing. Where you regulate it is at the other end and, as I say, when you move into it in a meaningful way, I don't mean just down here, I mean at the refinery.

If you sat down and broke down the efficiency of that operation, the cost per gallon of producing gasoline, etc., you'll find that their costs aren't any higher than the costs in Ontario, or in the United States, or anywhere else. What makes one question all these assumptions is the fact that between the costs of crude and the costs of production, the consumer pays much higher prices. It's the same in Ontario. You can find figures where in some places prices are lower and some where

they are higher but no oil company is giving away gasoline anywhere in the world, and they never did, and if the prices are lower and they can make a profit on it why should the consumer be forced to pay higher prices?

[4:45]

Mr. Williams: Point of order, Mr. Chairman. I think Mr. Lane has the floor.

Mr. Lane: Well, I don't want to prolong this question, but like I said, I want the minister to give it some consideration. I don't think we should regulate the dealer. I think that will regulate itself. If the people of this province are aware of the fact that that guy gets his product delivered to his service station for the same price as the fellow does a 1,000 miles away, then he is going to have to adjust his markup accordingly or not sell the gas. Right now he can blame it on the distributor: "I've got to pay so much more because I am so much further away", or some other reason.

Ms. Gigantes: You are on the right track.

Mr. Lane: It just doesn't wash with me.

Mr. Makarchuk: We are all for private enterprise and all for competition.

Mr. Lane: I want competition and I want free enterprise and that's why I don't want to regulate the dealer. I want him to regulate himself by the people of this province and I think if it becomes a known fact with the public—and I don't give a darn, the independent man has to buy his gas someplace, he's got to buy it from one of the oil companies, so if they have to lay down their product at the same price regardless of whether he is independent or whether it's company-owned that puts everybody on a fair footing there.

I may decide to pay him five cents or six cents a gallon more for my gas because I like the way the guy services my car. I don't want to get out in a snowstorm and put the gas in and wonder whether the oil is low or not and all the rest of it. So I have that choice. I think that leaves the free enterprise system working and that's what I want to work. I just think it would regulate itself and we wouldn't have to regulate these guys at all. I don't think we would save any money right across the province. I think you are right on that. I don't think we would spend any more money either. But the people in the north would feel that they have been treated a hell of a lot fairer than they are presently being treated.

Hon. Mr. Timbrell: That's obviously an alternative too. I just suggest to you—

Mr. Makarchuk: You are getting there, John.

Hon. Mr. Timbrell: —that you are quite right, that there would not be any savings of money. You know, I once put it to an oil company official, I said, "Where is your return better, in Nova Scotia or in Ontario?" And we hadn't been discussing regulation. He said, "Nova Scotia. Unquestionably Nova Scotia, because we are guaranteed a return. We don't have to compete." And this is at the refinery level.

There is no need for the refineries to compete. If you look at the Isbister report and the comments on return on capital, what he found was that refining in this province, because of the fact that there is an over-supply of products right now, an over-capacity in refineries, the return is one of the lowest of any business going on in the province. I grant you that what you are suggesting can be done but let's not fool the people. It will mean higher prices in most of the province.

Mr. Lane: Mr. Minister, just before we give up on this—and I'm not going to give up today, I'll give up 10 years down the road maybe—it has been suggested that we can equalize the prices by juggling with the gas tax figure between the north and the south. I am suggesting that this would mean that some dealers would really be taken advantage of, because if a dealer was close to the border of the imaginary line, the French River or whatever it is, across the border, obviously the people would drive over the line and get their gas and drive back and that guy wouldn't be selling any gas. So we would be forcing him out of business. This way everybody is on the same footing to start with. Their gas is in their tank. It's costing them exactly the same amount of money to get it. How they sell it is entirely up to them, because if they don't sell it right I am not going to buy it from them. But I have a choice and he has a choice. Like I say, I don't think in the overall picture there would be just as many dollars spent on fuel as there are now, but it would be more equally distributed and everybody would feel that at least they were getting a fair deal. Whether or not that was the case—

Hon. Mr. Timbrell: Even though it's costing them more?

Mr. Lane: Even though it may be costing them more. In my own work I drive 35,000 miles a year and you probably drive half of

that, I don't know, but this is the experience of a northerner because my riding is 200 miles long. Everything is the same in the north. I'm not complaining about that. I am proud to be a northerner and I accept that cost, but I just don't want the extra cost, that's all.

Mr. Makarchuk: You just don't want to be screwed, that's all.

Hon. Mr. Timbrell: I think there's a long way to go on this. I'd be happy to table with the committee, or provide at some later point, all of the information that Isbister did take originally in camera and is now public, on the return in the refinery industry. I think, though, that the kind of thing you're suggesting would be a godsend to a lot of people in finding business. It would do away with a lot of the need for them to compete to improve on the efficiencies of plant, to get the optimum output from a plant to keep their cost per gallon down so they can compete with the other refiners. It can be done, no question about it, but I repeat again, don't anybody think that this will mean lower gasoline prices in the whole province. It'll mean higher gasoline prices in most of the province and for about maybe two per cent or three per cent of the overall provincial market slightly lower perhaps.

I don't know what you do in a community where maybe you've got four or five gasoline stations and the operators have grown up together, and all know one another. Unless you inject in there something like a self-serve or an independent that changes the competitive market mix in an area, let's face it, my impression is that one guy puts his price up and the others say, "Well, that's what he's getting for it, we'll all charge the same." There's an amazing similarity in prices in these smaller communities among the stations and you're not going to get competition.

Mr. Lane: The same thing happens when a price war starts: they all go down overnight. In one place in my riding they've stayed down for a year and everybody's still in business. So somebody—it must be the oil companies—is subsidizing these guys in that price war. This, again, is an unfair situation really, because 10 miles down the road maybe the volume is less and then the companies aren't prepared to subsidize the price wars, so that poor guy is stuck with either—

Hon. Mr. Timbrell: That would only be if they want to lose their share of that market, they would do that. I recognize what you're saying, and at face value it has a lot of attraction, but I just tell you that in the long run

what it's going to mean is higher prices in Timmins, higher prices in the Sault, higher prices in Sudbury, Thunder Bay, Windsor, Owen Sound, Toronto, Barrie, Kingston, Ottawa, Belleville, Trenton, and Espanola—anywhere extreme competition is in place right now.

Mr. Lane: Thank you very much for not telling me I was senile, anyway.

Mr. Williams: Mr. Chairman, just before Mr. Reed starts, I think there's one conclusion we can draw from this, and that is that Mr. Lane would make a good minister of northern affairs.

Mr. Moffatt: Then he could equalize the prices all over the north.

Mr. Lane: Once a northerner, always a northerner: you just can't back away from it, and I don't want to back away from it.

Mr. Reed: If Mr. Lane was with the right party I would certainly concur with that assessment of his abilities.

Mr. Lane: That's a matter of opinion.

Mr. Reed: I realize these subject areas are rather wide-ranging and when we got into this energy policy programme there was one area that I was more or less determined I would not mention this afternoon. However, my colleague brought it up and I'm afraid I'm going to have to enlarge on it, and that is in reference to the hydraulic potential in southern Ontario.

There was, in fact, a publication that was republished in about 1943, which was *A Compendium of Water Powers in Ontario*. It was a reprint of a publication that was first published in 1895, and I've seen it and I haven't quite obtained a copy yet but I think I'm going to get one. The compendium lists powers of all sizes, that is right down to the very small amounts, and one of the interesting observations in following through on those developed powers that are listed in that book. We find that the actual developed available power is about double the awarded power in the study that was done at that time and so it would seem that the study was very conservative, to coin a phrase.

There was another study done, as you alluded to, in about 1972, which was a limited study which covered a number of the larger small water powers. I had the pleasure of meeting the man who did that study, and one of the recommendations that he made in conjunction with that study was that for all the new dam installations that were being

built by the Ministry of Natural Resources a thimble be provided in the apron of the dam to accommodate a penstock at some future date. So far as I know that study has been ignored. There have been dams built since that time, and there has been no mechanical accommodation made in the apron of dams for the provision of access by penstock.

With the recognition that smaller hydraulic powers can be economically developed, if not by Ontario Hydro and not by the government but on a private development basis, I wonder if the Minister of Energy through his position of policy maker in energy, would undertake to have some sort of understanding with the Ministry of Natural Resources as to the utilization of these dams. If the government doesn't want them, if Hydro doesn't want to use them, then it would seem to me only logical that the utilization of the available power be made available to private enterprise.

The technology is well in place. Package turbines of all sizes now are available, not quite off the shelf yet but they're available on the market, and we have also now got the technology whereby we don't even have to put the thimble in the apron of the dam any more, we can draw the water right over the top. I realize this is a subject that is very dear to my heart and I might be very rightly accused to having something of a vested interest in hydraulic power.

Hon. Mr. Timbrell: Almost a fixation!

Mr. Reed: Almost a fixation, except to say, as my colleague pointed out, there are 2,600 of these dams in Ontario and there are only a handful of them doing anything except holding water back for cottagers and it's time that they were made available for use.

My own personal experience indicates that the Ministry of Natural Resources has been rather negative in this respect and I would respectfully suggest that the minister undertake to use his good offices to facilitate this kind of utilization. On a coffee-cup, off-the-thumb-nail estimate, there's probably a million horsepower sitting there, going downstream night and day, winter and summer, and it's being totally wasted. If that power can be made available and can be utilized by smaller municipalities, if it can be utilized by private industry, then so be it, let's get on with the job. It's all there. It's just waiting to be harnessed.

Hon. Mr. Timbrell: Mr. Chairman, the member will recall that recommendation III-26

of the select committee report had to do with hydraulic sites and the government accepts it and so directed Hydro that the potential is to be harnessed where they are economically and environmentally feasible. The hon. member wrote to me a number of months before he became an hon. member about the Credit and that's where I first became aware of—

Mr. Reed: On a matter of clarification, I did not run for office on that ticket.

Hon. Mr. Timbrell: No, but going back to when I first became familiar with your name and the issue. As I recall, the problem at the time was the Ministry of Natural Resources—I guess it would be the fisheries people, whatever the branch is called—was concerned about the stocking of the Credit and what individual hydraulic sites would do.

[5:00]

We accept that the potential of hydraulic sites has to be maximized where it is economically feasible, and they are not all going to be economically feasible as compared to providing power from Nanticoke or Pickering or somewhere like that. Surely you are not suggesting that the mandate of another ministry should be subverted entirely? The Ministry of the Environment is bound to be interested in some of these, where the development of some of the sites that are listed on Hydro's documents would involve considerable flooding.

Mr. Reed: May I comment just for a minute, Mr. Minister, on that item? First of all, through my own meetings with the Minister of Natural Resources I have discovered that one of the arguments against the development of certain small powers on certain designated rivers has been, indeed, because of the fisheries programme. However, in consultation with the chief of that programme. I find that he has no objection to co-operation through the provision of fishways and so on. That branch of the ministry has been rather deficient in the development of adequate fishway technology.

It has been indicated to me that certainly the path of choice was the easy path, to let the dams rot down or take them out and be done with them and simply not allow any more to be built. I do believe, however through certain efforts that have been made, that particular point of view has been changing. Certainly the chief of the fisheries area has indicated that they are going to take another very hard look at the whole business of fish ladders and their effectiveness, and how they apply, and so on. So I think that

is a hurdle that can certainly be overcome without too much problem.

Hon. Mr. Timbrell: In some cases, I am sure it can. Then the economics of it will come into it.

Mr. Reed: Okay. Now let me just deal with the economics, which I don't think should be dealt with here to such an extent as indicated. I have faced the economics argument with the Ministry of Natural Resources who have even told me that they questioned the economics of developing hydraulic generation. The point is this, that if it's available to free enterprise to develop hydraulic generation, the economics of that installation are nobody's business. They are not the business of the ministry. They are not the business of anybody. It is simply the business of making the facility available for free enterprise to develop them. Why should we argue about the vagaries of the cost of installing power?

Hon. Mr. Timbrell: I was referring to Hydro, but certainly I agree with you. Let's take an example.

Mr. Reed: I was taking an example.

Hon. Mr. Timbrell: International Nickel is proposing to install a hydraulic site on the Spanish River. I forget the capacity. It is 120 or 130 megawatts. In that case they have decided that as far as economics are concerned, it is in their best interests to reduce their dependence on Ontario Hydro. But in that case you do have the Sierra Club which is a well known and well respected environmental group—

Mr. Reed: I know the president well.

Hon. Mr. Timbrell: —taking a position that this would not be desirable for a number of reasons which it put forward. There the economics, as I say, have been determined to be manageable at least by that private enterprise concern, but you do have certain public interest groups saying, "That may be, but let's look at the environment."

Mr. Reed: I think in terms of the trade-offs between the Sierra Club and the economics, the relative deleterious effect of holding back water temporarily has been reconsidered to a certain extent by the Sierra Club. I think if you were to talk with them today and ask them about the trade-offs between hydraulic and nuclear power they have somewhat altered their concepts. Of course, we're all concerned about the environment and we're all concerned about the

effect of man-made ecosystems, which is a term that I learned a couple of weeks ago from a biologist who was concerned about mill ponds. There's no question about that.

Hon. Mr. Timbrell: I don't have anything to do with mill ponds.

Mr. Reed: But in the business of the trade-offs between one and the other, when things are weighed in the balance, we find some new points of view being developed.

Hon. Mr. Timbrell: Can I just point out something with regard to the Spanish River matter, because I'm interested in your comment, we had a letter from them outlining their concerns about the potential of the development and that letter is no more than two weeks old. So unless they've been to Damascus in the last two weeks, they're still officially on record as either being opposed—I can't remember exactly what the letter said—to that particular development.

Mr. Reed: That's certainly news to me, because I have been in some discussion with Ric Symmes over the issue. Was that from Symmes?

Hon. Mr. Timbrell: Yes, he signed it.

Mr. Reed: We have two sources. Just one comment I would make to reinforce this business of the existing dams, the existing installations, the existing ones that do nothing. They're common in my riding. They're common in many ridings. The question is, will the Ministry of Energy change or help to facilitate a change in attitude on the part of the Ministry of Natural Resources so that they simply don't give you a blanket "no" when you talk about the development of power?

Hon. Mr. Timbrell: The directive that I talked about came from myself as Minister of Energy, but it was only after discussion at cabinet and concurrence by the cabinet that the directive would go. Since cabinet includes the Minister of Natural Resources (Mr. Bernier) I think you can say that the government's position is the hydraulic sites should be developed where economically and environmentally feasible. This is the directive to Hydro.

I think with that goes the fact that the government is, in effect, saying that if a private concern wants to develop a hydraulic site the economics, you're quite right, that's their problem, they're the ones who can decide whether it's in their best interests to go ahead and do it—but they would have to satisfy the environmental requirements, which would include whatever concerns the Ministry

of Natural Resources might have, whether it's stocking of rivers or some other ecological condition along the river that might be affected by flooding.

Mr. Reed: So what you're saying is that with these existing installations, if a private concern were to say, "Look, I'd like to make use of the power available on this facility," you could see no obstacle in terms of—

Hon. Mr. Timbrell: If they're going to put up the money and if there are any extra transmission lines involved and they're going to build those, and they can satisfy the environmental standards from Environment and Natural Resources, I see no reason to stop them.

Mr. Reed: Thank you very much. Okay, in terms of policy development, one of the observations that I've made is, of course, that you've taken the position that your ministry is a policy secretariat.

Hon. Mr. Timbrell: A policy ministry.

Mr. Reed: A policy ministry, pardon me, but at the same time you've really found it necessary to embark on at least a couple of programmes now. I'm wondering when your government will finally realize that your ministry is developing now and will in the years to come develop into probably the most important ministry in the government?

It's not that I'm trying to boost you upstairs, Mr. Minister, or anything, but it's just that you know—

Mr. Makarchuk: He wants to move you right out.

Mr. Reed: —and I know, and the staff assembled here knows, that energy will be one of the determinants of our economic future and the changes that take place are going to take place thick and fast over the next 10 years or so. I would like to make the appeal, through the Chair to you and to the Premier (Mr. Davis), for heaven's sake make this a full-fledged ministry.

Hon. Mr. Timbrell: It is a full-fledged ministry. This is a curious position to be in. For as many years as I've been interested in politics and reading Hansard from the Commons and here, since I was about 11 years old, I've read reports of member after member damning ministers for building empires; and here I am saying to you, I don't want to build an empire, I don't want the ministry to be any bigger than it is because it is very flexible, very responsive, extremely capable and professional now, I don't want a huge ministry.

This is the only province in the country that has a Ministry of Energy, the only one.

In Newfoundland it's the Department of Energy and Mines, they throw mines in with it; in Nova Scotia it's an Energy Secretariat, I believe, that reports to the Minister of Mines.

Mr. B. Newman: Surely you aren't going to compare those provinces with Ontario?

Hon. Mr. Timbrell: I don't know what they've got in New Brunswick or PEI.

There's a Minister of Natural Resources in New Brunswick; and in PEI—what's his name?—I guess he is Minister of Trade or, Industry and Commerce as a matter of fact.

In Quebec it's the Minister of Natural Resources, so it's all thrown in together. In Manitoba it's the Minister of Industry and Commerce; in Saskatchewan it's Energy and Resources—no, they don't even call it energy and resources, it's just Resources. In Alberta, it's Energy and Natural Resources; in BC, it's Energy, Transportation and Communications.

This is the only province in the Dominion that has set up a ministry strictly devoted to energy.

Mr. Reed: With all due respect, Mr. Minister, this is perhaps one of the most needy provinces in terms of its energy future.

Mr. B. Newman: The only province that is energy poor.

Hon. Mr. Timbrell: Like six of the other provinces we are energy poor, like seven of the other provinces.

Ms. Gigantes: Mr. Minister, that's not the point he's trying to make, nor is it the point we are trying to make.

Mr. Reed: Thanks.

Ms. Gigantes: We are trying to make the point that the ministry has to be strong enough to be able to carry out certain very necessary programmes. We don't feel it is. I don't care what you call it.

Hon. Mr. Timbrell: You know, two days ago I asked you to come back and give me some specifics as to particular issues, particular conferences in which we've been involved, and tell me where were we not strong enough? Where was our research deficient, where were our arguments deficient? That was two days ago.

Mr. Makarchuk: The gasoline crisis.

Mr. Wildman: How much oil have you produced?

Hon. Mr. Timbrell: Perhaps you weren't in the room when I pointed out that natural gas production in the province was up 45 per cent last year.

Mr. Makarchuk: That's not under your ministry.

Hon. Mr. Timbrell: It's under the government.

Mr. Reed: I just wanted to make the point that you are into programmes, whether or not you really wanted to be in the first place or whether you intended to be, so let's allude to that and proceed.

Now in terms of technology, I see this year your estimates are up substantially from last year. I see \$243,190 in 1974-75 actual expenditure; I see estimates 1975-76, \$735,950. That, to me, should indicate a hopeful sign, Mr. Minister, because it would seem that the energy technology area involves the research and development aspect. So I would ask you, does that area of increased expenditure involve research and development; and if so, could you outline for us just what areas of research and development have increased this past year?

Hon. Mr. Timbrell: The energy technology item that shows in the estimates includes, at the time they were printed, the energy conservation programme as well. There has been a significant beefing up of that programme.

Now where do you want to start as to what it includes?

Mr. Reed: Okay, I want to try to draw some sort of comparison with last year's feeble expenditure on solar development, and I'd like to know just how much farther your financial commitments have gone in research and development in an area that we consider to be most vital to the province.

[5:15]

Hon. Mr. Timbrell: I'll just get a breakdown of what's involved.

All right, \$266,000 of the—where are we here?—\$382,000, you have to add \$186,300 salaries and wages, services \$382,000; well, \$266,000 of that is the Ministry of Energy's portion of the energy management Programme which totals \$1,985,000. In other words, there's \$1,719,000 which is allocated among the ministries of Agriculture and Food, Colleges and Universities, Correctional Services, Education, Environment, Government Serv-

ices, Health, Housing, Industry and Tourism, Transportation and Communications. That is co-ordinated by our ministry. There's \$266,000 in our estimates, so that the balance would be involved in such things as solar and wind, and position papers on—

Mr. Reed: Would that be \$266,000 minus \$735,000?

Hon. Mr. Timbrell: No; \$382,000 minus \$266,000, it's \$116,000.

Mr. Reed: It's \$382,000; so \$116,000. That means then, if I'm assessing this correctly, that \$116,000 was the expenditure for research and development in renewable resources?

Hon. Mr. Timbrell: Am I roughly right? Shall I try and interpret this? All right, you come to the mike and correct me then.

Ms. Gigantes: This is also my question from yesterday.

Dr. Higgin: This question was asked yesterday by Ms. Gigantes, and I think we should preface our remarks by again pointing out the role of the ministry as a policy ministry and the energy management programme, which works in other ministries, as being really the vehicle through which we get solar energy work done, providing seed money to other ministries to encourage them to get involved in this area. That's really the purpose of the energy management programme, not to give them the whole amount but to encourage them.

As far as solar energy research is concerned in 1976 and 1977, the energy management programme itself directly provided seed money totalling \$50,000 into other ministries. The other ministries themselves, as a result of doing design work and design studies using that money, are now committed to an expenditure of \$185,000 on solar energy, on solar heating and cooling experiments. That makes for a total of \$235,000 on solar heating and cooling which is budgeted by the government. We can't separate the two—

Mr. Reed: Are you using the word "solar" in the confined term or are you using it as the broad base term—

Dr. Higgin: I'm using it as—

Mr. Reed: —combining wind, solar—

Dr. Higgin: No, I'm using it in the confined term now. I'll get to the other expenditures in a moment.

Mr. Reed: Thank you.

Dr. Higgin: The next area we're directly involved in through the energy management programme in providing seed money is investigating new methods of getting energy from waste. We have a number of projects running here with the Ministry of the Environment. In this fiscal year the amount of seed money going into those projects was \$32,000. The Ministry of the Environment itself is supplementing this amount by a further \$18,000, making a total of \$50,000 in the energy from waste area. The last area we're interested in is the wind power area. The ministry itself, in its own budget, outside of the energy management programme, has committed an amount of \$40,000 to wind energy research. If we add up all these figures, if I have done my sums correct, we come to a total of \$325,000 on renewable within the government that's budgeted in this fiscal year.

I'd like to just add a couple of notes to this. This figure includes some design fees for solar buildings, and they are current estimates. We can't tell exactly what the design fees are going to be until the building is tendered because, as you know, design fees are based on a percentage of the building cost. These figures, however, only include an estimate of the incremental design fees associated with the solar part of that building only. The rest of the building doesn't appear in these figures at all. This is the straight incremental amount. The figure for solar heating includes capital funds which the Ontario Housing Corporation has allocated to the Aylmer project. We cannot say they'll all be spent in this fiscal year because there have been delays in tendering the building.

The other solar project that is on the books is the Newmarket courthouse and we don't have a capital cost estimate for that yet. That is not included in those figures. The amount for which I quoted the estimate at \$325,000 could actually be a little less or it could be more, depending on how things work out. That \$325,000 is the budgeted amount right now.

Mr. Reed: That amounts roughly, if my arithmetic is anywhere close, to about five cents for every man, woman and child in the province of Ontario.

Dr. Rowe: Could I possibly interject, just to make a comment for the hon. member? When he wishes sometime to compare that statistic with spendings in other jurisdictions. I would have you note the basis for the comment Dr. Higgin made about the incre-

mental cost is a different way of budgeting than is done, I guess, in virtually every other jurisdiction. If we look at a solar building, we believe we should only account for the moneys spent on the solar part of the building, whereas in other jurisdictions they report the entire cost of the building, including the parking lot or the trees in front of it. We think this is an improper accounting procedure.

I would also point out that under the energy management programme when we talk of funding we are talking of the purchase of hardware or contract services outside the government. We have not put into the accounting base the use of government staff, architects or engineers in other ministries who are working and dedicated ever to the solar design and so on within their respective ministries. This is outside money for contract services or hardware. Again, it would be possible to build these into the accounting base, but we feel it's part of their job and we want to isolate the true expenditure just for the utilization of solar energy.

Mr. Reed: Yes, and I appreciate that very much. It is true that the expenditure is up dramatically. Looking at percentage of increases it's up dramatically from a year ago when we had a total of \$50,000 which, I guess, amounts to something like a half a cent for every man, woman and child in Ontario. We're up to a nickel, and I hope maybe we can substitute UNICEF boxes next Halloween for this development.

Hon. Mr. Timbrell: Particularly at a time of budgetary restraint, which we went through the other day and the effect that has on a ministry like ours, I'd be interested to know what you think would be an appropriate level of budgetary commitment on this sort of thing.

Mr. Reed: I think I did mention at the outset in the opening remarks that the US ERDA programme was budgeted at \$90 million roughly, which represented, give or take again, about 50 cents a head for every man woman and child.

I talked about the results of that ERDA programme and the things that are beginning to happen very quickly because that expenditure was committed, and I think I said at the outset too that if we had that sort of relationship in our commitment here, without trying to reinvent the wheel or to do something that has already been done, but if we would make that kind of a commitment, what we would do would be to ensure our

share of the resulting industrial development in this province that will undoubtedly occur somewhere in North America, or somewhere in the world.

I expressed the hope that we wouldn't allow ourselves to get into the same situation that we have so many times in the past, where we ended up buying technology and industry from our cousins to the south. I like them just as much as all the rest of us, but the point is this, what we need to do is to do what's good for our economy here and one of the things we can do is ensure our place in the development of this new technology. That's really all I was trying to point out.

Hon. Mr. Timbrell: I think I indicated the other day that one of the things I have done recently is to ask the federal minister to convene a conference of Energy ministers, the prime subject being research and development. Unquestionably we look to the federal government to put a lot of money into this area. Their R and D budget in the last year was—

Dr. A. C. Johnson: Last year, it was \$125 million.

Hon. Mr. Timbrell: —\$125 million, and that includes any moneys spent on nuclear research. Without slowing down any of that, we are trying to convince them to put more of that into new technology. I pointed out that the allocation this year in our estimates is significantly higher.

The figures you mention in the United States, by and large, those are all the figures that I am aware of. Many of the state governments are involved, and those figures do involve total cost of projects, as Dr. Rowe was pointing out; they're not strictly the solar component. It's a test facility to be built.

Mr. Reed: Yes, I'm sorry, I can't speak to that at all.

Hon. Mr. Timbrell: It does include the full cost, not just the solar component or wind component, or whatever it is. So it's not an entirely fair comparison between the two. Undoubtedly, we are trying to get more as overall government accounts allow and I think we have been fairly successful this year. I am optimistic about the next fiscal year, that we should be able to do better in terms of appropriations for renewable energy resources.

Mr. Reed: Well, if I can try out my limited persuasive powers on the federal minister on Saturday, I'll take your message to him.

Hon. Mr. Timbrell: Just tell him I hope when he takes his budget to Treasury Board, he doesn't come back with the thing watered down at the expense of renewable energy.

Mr. B. Newman: You aren't speaking from experience, are you?

Hon. Mr. Timbrell: No. No. I think the figures indicate that within constraints I have been reasonably successful in beefing up our programme and hope to beef it up further. I am just trying to assist my federal colleague.

[5:30]

Mr. Reed: Yesterday we were talking about Alberta coal and you, I believe, had said that one of your concerns was to be able to secure a supply of Alberta coal for Hydro facilities here in Ontario. I would just like in passing to make the comment that I would have perhaps been somewhat happier had you said you were interested in securing a supply of Alberta coal for the future industrial generation that is going to take place resulting from the Hydro select committee report and your acceptance of it.

Hon. Mr. Timbrell: Oh, I think if you check Hansard, you'll find I went on to say that industrial concerns in the province will want more and more metallurgical coal as well.

Mr. Reed: Yes, I was thinking of the thermal generation component.

Hon. Mr. Timbrell: Well, it's all part and parcel of it. There was some interest expressed I think by Ms. Gigantes yesterday about reserves as well. We can table the material on the coal reserves; this is an Alberta document. Really there are two: there's one from BC, that's at February this year; and one from Alberta, on their coal reserves. If you'd like—how many copies have we got here?

Dr. Button: One each only. There are two reports and we have only got one copy.

Hon. Mr. Timbrell: One of each, right. Well, we can table those and the members who are interested, perhaps, can take copies of whatever portions they want.

Mr. Reed: All right. Thank you.

I just have one other area that I would like to discuss with you, Mr. Minister. This concerns the Bruce nuclear generating plant. I have in front of me a document that's entitled Notice of Grounds. Now, let's see:

"2. All such persons as have requested individual hearings pursuant to the provisions of The Expropriations Act as are disclosed in schedule A attached hereto—" and that document is signed by, I believe, Mr. T. C. Marshall. He's Ontario Hydro counsel.

Part four on page five says that "500 kv is the appropriate transmission voltage which must be accepted. The need for facilities to accommodate the Bruce generation now and the necessity of taking into account lead times needed for construction—" and so on, referring to the future. But it's the statement about to "accommodate the Bruce generation now" that I would like to discuss for a moment.

According to information that I have, unit two of Bruce A—which is really unit one, but not numbered as such—has encountered some difficulties which have precluded its full operation on schedule. The information given to us is that the Atomic Energy Control Board has licensed unit two for 50 per cent of power—

Hon. Mr. Timbrell: This is standard when you're starting out with a unit.

Mr. Reed: Yes. To this date, they have operated at roughly seven per cent, there's about 50 megawatts, with occasional shots up to about 200 megawatts.

The following is information that I should read into the record. This is a letter to our research department from the project manager of Bruce nuclear power development:

"This unit has been operating at approximately 50 electrical megawatts, with short tests to about 200 megawatts, to explore turbine steam admission control problems. These problems are the current restriction on higher power operation. The full electrical output of Bruce unit two is nominally 800 megawatts. Our current licence from the Atomic Energy Control Board permits operation of the reactor at powers up to 50 per cent of full power, which will permit generation of 400 to 450 electrical megawatts."

I explained that the licensing process involves licences for various stages, including the construction licence, licences to receive prescribed material and licences to load fuel, to start up the reactor, and to raise power in stages. This unit was originally scheduled to be ready for commercial operation by September, 1976, but is not now expected to be in this state until early 1977.

"6. The economic penalty arising from late startup is principally due to the need to use other less economic generation facilities

to meet the energy requirements of the province."

By telephone with the Atomic Energy Control Board, the following has been indicated to our research department. They have received a licence from the AECB to operate at 50 per cent of reactive power. They have informed me that Ontario Hydro is experiencing design difficulties which have led to safety problems.

I wonder if there is anyone here who could explained just what the difficulty is on unit two and whether this information is correct or inaccurate, or am I being led down a garden path here? Can anybody tell me what the problem is at unit two? What I'm trying to get at is whether this is a design problem and, if it is a design problem, is the design problem fundamental or is it something that is going to be corrected immediately?

Hon. Mr. Timbrell: Mr. Woodhead isn't here today but Dr. Finlay or Dr. Johnson from the ministry could perhaps comment on it. My understanding is that it's not at all unusual in the initial stages of a unit. First of all, the 50 per cent licence is quite normal, and in the first few months it is shaping up.

Mr. Reed: I certainly can concur with that. The thing that began to disturb me when I saw this was the fact that Ontario Hydro apparently admitted that there had been a delay in scheduling full power. Then there was this other indication, this information that was given to us, that design difficulties had led to safety problems. That's why the question went around in my mind are they design difficulties or are they mechanical difficulties? Are the design difficulties inherent in the basic design of the reactor or are they just minor adjustments?

Dr. Finlay: I think basically the minister is correct in pointing out that with the first reactor off a new design, such as Bruce A2 is, one would expect to have to make adjustments to the design. If you look at the commissioning record of Pickering, for instance, I think the first reactor took about nine months to get up to full power from first critical. The period was the less with the second one and the third one, and the fourth one was 12 days. This is the case because from the initial problems that you have in the early days you can apply your experience from the first ones to the other reactors in the series and make your corrections before you actually start them up.

The only problem I am aware of at the moment is the problem of steam, which you

mentioned there. As far as I understand, this is basically a vibration problem in the main steam line from the boilers into the turbines. This is a mechanical problem, a dynamic problem. You wouldn't want to run your turbines up and shake your lines because there's a lot of energy involved in it. I suppose you could class that one as a safety problem.

Mr. Reed: Does Ontario Hydro in tackling these challenges have any target dates for the full generation of power now? If they have, do you know what those target dates are?

Dr. Finlay: I'm sure they have but I'm afraid I don't know what they are.

Hon. Mr. Timbrell: Can we get Mr. Woodhead here tonight? If you like, we can try to contact him at home because he's in charge of the nuclear generation division.

Mr. Reed: I don't feel good about getting a man out of his warm home to come down here.

Hon. Mr. Timbrell: Or we can phone him up.

Mr. Reed: I think there is a question that has been raised certainly in my mind about what really is wrong there. Is this thing because of pipes rattling and you just can't get enough steam through it? I'm not familiar enough with that sort of thing. Or is this a design fault?

Hon. Mr. Timbrell: Is it a fault?

Mr. Reed: A design fault, yes. Then this target date; there's some question as to whether there are any target dates set now for the full-power startup.

Those things added together really have made me ask the questions. The minister has agreed to bring a gentleman here tonight to explain. Thank you very much.

Hon. Mr. Timbrell: We'll try to get him here tonight, assuming he's in town. Somebody can go out and make a phone call now and try and get him here for 8 o'clock.

Mr. Williams: Mr. Chairman, could I have Mr. MacLean back because I want to pursue some matter of discussion earlier about gas and petroleum exploration in the province?

Mr. Makarchuk: Got some speculative shares you want to trade?

Mr. Williams: A couple of points of clarification, Mr. MacLean. In answer to the question that was raised earlier as to the degree of exploration work going on in the province on

an annual basis, I understood you to say about 180 wells were being drilled a year. Is that correct?

Mr. MacLean: On the average, yes. It does fluctuate from year to year. I believe that was the approximate figure in 1975. I don't have anything before me; this again is within the Ministry of Natural Resources' jurisdiction.

Mr. Williams: But that's a fairly accurate estimate of what the average activity is in recent years?

Mr. MacLean: Yes, I believe the year before that the figure was 160 wells; and I think about four years ago it was close to 200.

Mr. Williams: Then in answer to a further question as to the extent to which that activity was located in the Lake Erie region, I think you said about 45 to 50 wells were drilled on the average—in the last year I think you were referring to specifically—which represents maybe a quarter of the activity. Where is the other activity going on in the province outside of the Lake Erie region? In particular, what is the extent of activity at the moment up on the west shore of the Hudson and James Bay area?

Mr. MacLean: There is no activity in the James Bay lowlands at the moment. There is a moratorium on exploration in the area that was put on about two years ago. From 1967 until two years ago the area was under licence basically to three major operators and a total of 10 exploratory wells were drilled up to that point in time, all of which were dry holes.

Mr. Williams: On what basis was the moratorium imposed?

Mr. MacLean: This was by the Minister of Natural Resources (Mr. Bernier). I don't know that I should answer on his behalf, but it was to re-examine the resource extraction policies in the area.

Mr. Williams: That was in the James Bay lowlands you say?

Mr. MacLean: That was in the James Bay lowlands specifically. This did not apply to the Hudson Bay lowlands and up towards Manitoba.

Mr. Williams: And what's happening up there at the moment?

Mr. MacLean: Nothing. Two wells were drilled back in 1969 in that area, adjacent to the Manitoba border.

Mr. Williams: I understand this was oil rather than gas exploration, am I correct or wrong in that?

Mr. MacLean: They were searching for both. The area has a potential for both.

Mr. Williams: How much farther north would our jurisdiction extend, right up to the top of the bay? We don't go on to Ellesmere—

Mr. MacLean: No, that's federal acreage. The Ontario boundary under consideration is within a mile or two miles from the shoreline; that is under review at the moment.

Mr. Williams: There has been activity as far north as Ellesmere Island, I guess.

Mr. MacLean: Yes, but that's all federal acreage.

Mr. Williams: Right. Then where is the bulk of the activity taking place? There's virtually none up in that area at the moment because of the moratorium; about a quarter of it's down in the Erie area. Where is the rest of the activity going on?

[5:45]

Mr. MacLean: I'd say the main thrust of it is in Lambton county, in the pinnacle reef area. This is the pinnacle reef belt of Ontario, which is contiguous with the Michigan pinnacle reef belt in northern Michigan. That's on the edge of the Michigan basin.

The main thrust of it would be in search of these pinnacle reefs. There has been considerable exploration over the last two years within Norfolk county as well; increasing emphasis is being directed into the deeper sections of Kent county and I expect into Essex county over the next year.

Mr. Williams: Do you have any idea how many exploratory leases are out at the moment, leases for exploration?

Mr. MacLean: No, we would have no idea of that. These are all freehold leases on land, as you must remember, and these are registered in the county registry offices and do change on a daily basis; but there is a significant increase in leasing activity proportionately over the last three and four years.

Mr. Williams: Lambton-Norfolk are the areas of the greatest activity at the moment.

Mr. MacLean: Yes, and toward Kent county as well.

Mr. Williams: Is this based on preliminary findings that are rather favourable? Have

there been some samplings done in those areas that have indicated greater potential than had been determined in any previous period of time?

Mr. MacLean: You are into two different geological environments, essentially, within Lambton county as opposed to the Norfolk-Haldimand area. You are into a stratigraphic sand type of deposit in Norfolk county versus your reefal type of geology within Lambton county.

Mr. Williams: Which to a layman means what?

Mr. MacLean: Your success ratios are quite different in one area to another. You would probably drill a lot more wells in a pinnacle reef area searching for a reef that may only be three to 500 feet in diameter as opposed to a type of reservoir in the sand deposits which could be quite extensive, but the deliverability of gas in a pinnacle reef is considerably higher than in a sandstone type of reservoir in southwestern Ontario.

Mr. Williams: I see. Thanks very much.

Mr. Minister: I presume that these activities are being monitored, are they, by the ministry?

Hon. Mr. Timbrell: By the Ministry of Natural Resources. Can I emphasize again Mr. MacLean used to be responsible for the petroleum resources section in Natural Resources and was successful in competition for a position at the Energy Board, so he is no longer the incumbent in that position. We are imposing a bit on him but the information is very helpful I am sure.

Mr. Williams: I presume he was the expert on that particular subject, because you had had him up answering earlier; so thank you.

The other point I was interested in, Mr. Chairman, and it was touched on here a few minutes ago to some extent, was in the area of wind power. There has been a great deal of emphasis given to solar energy in the discussions to date, but I don't know if equal time has been given to development of wind power. I think it was pointed out by Dr. Higgin a few moments ago that \$40,000 had been expended in wind energy research, or is set out in the budget for that purpose, and I think one of the—is that correct?

Hon. Mr. Timbrell: There is \$40,000 out of the \$325,000.

Mr. Williams: I think by contrast it was acknowledged that the federal government

was into the research area to the extent of about \$125 million.

Hon. Mr. Timbrell: Yes, but I want to point out something while Mr. Reed is still here, especially since he is going to be lobbying for Ontario with the federal government, that of that, \$350,000, I am told, is the federal government's commitment to solar. Now of that \$350,000, the amount of \$200,000 has been made available by the federal government for demonstration projects, but not one penny of it has been made available for the province of Ontario.

Mr. Williams: I am afraid to ask where that money is going.

Hon. Mr. Timbrell: Into other provinces. I ask you to contrast our \$235,000 with the federal government's \$200,000 for the other nine provinces, and \$150,000 has been set aside by them for research and development or stimulation of industrial research and development. I just ask you to bear those figures in mind—that our commitment as compared to that of our Dominion government really stands up very well.

Mr. Reed: You don't have to tell me that their commitment is mediocre too.

Hon. Mr. Timbrell: No, I don't think I can accept that. It's a matter that we would like—and this is part of the reason for asking for a conference—to see more of that money directed into Ontario, where we've shown the initiative, by comparison, with a very hefty appropriation and where the interest is very high in using that money. But coming back to Mr. Williams' question, yes, \$40,000 is the appropriation.

Mr. Williams: That's in the form of research. Is that specifically seed money to assist, say, the private sector in development of projects or development of equipment?

Hon. Mr. Timbrell: This would be money set aside which will hopefully be used in the project discussed here in the last couple of days with the federal government.

What we did in the last fiscal year was commission a study on the potential for wind power in the province. That report came in about March or April of this year. There is \$40,000 in this year's estimates to get involved in a demonstration project which hopefully will be the one, as I say, we discussed the last few days with the federal government on the Toronto Islands.

Mr. Williams: To continue if I might, Mr. Minister, I guess what is really concerning

me is that I understand there are some private but small resident companies that are no longer experimenting in the area of wind energy. In fact, they are making commercial sales in this field and the wind-energy-producing units are being sold commercially in the province.

It is my understanding that not only has the United States government invested some \$90 million through its ERDA programme, as referred to a few moments ago by my friend, but in the past month the United States government awarded a contract to the Westinghouse Corporation for something in excess of \$240 million to proceed with a full-scale programme of manufacture of wind-energy-making equipment. The irony of it is that a great deal of that equipment apparently will preferably be located on Canadian soil, because of the more favourable climatic conditions in this jurisdiction than in the more southern climes where there is a less constant wind factor. In the producing of this energy with the experimental equipment, these units will be located at border points, or as far north as possible, with the energy apparently being channelled back into the United States.

This is a very significant breakthrough in that jurisdiction which I think is somewhat alarming, if in fact it turns out that this is the country where the potential is greatest and yet it's a foreign jurisdiction that's getting the jump on us in this field. I'm wondering if your people have any knowledge of this particular significant contract award.

Hon. Mr. Timbrell: We are aware that there are some systems available. The other evening Dr. Higgin spoke about them. The costs tend to be very high. There's one system that costs, what, \$50-odd thousand for a unit that generates what—

Dr. Higgin: Four point one kilowatts.

Hon. Mr. Timbrell: Four point one kilowatts.

Ms. Gigantes: Is that the highest?

Hon. Mr. Timbrell: Yes. I'm saying there are some around but a lot of them are very expensive.

Mr. Williams: Just before Dr. Higgin starts, is it not true, Mr. Minister, that in fact it has been demonstrated sufficiently even at the experimental stage that wind energy is more economical than solar energy and can be produced more economically?

Mr. Makarchuk: It depends on which side of the Parliament Buildings it's placed on.

Hon. Mr. Timbrell: That's right. I suggested last year I was going to have a wind generator installed in front of the desk for the member for Hamilton (Mr. S. Smith) and a biomass generator behind the desk of the member for Scarborough West (Mr. Lewis) but my budget wouldn't allow it.

Mr. Williams: You've lost the train of thought.

Hon. Mr. Timbrell: No, I haven't.

Mr. Williams: Is that observation a fair one?

Hon. Mr. Timbrell: I think it is—

Mr. Williams: So do I.

Hon. Mr. Timbrell: —because if you are talking about producing electricity from solar application as opposed to electricity produced in a wind generator, they are miles apart at this point.

Mr. Williams: In cost.

Hon. Mr. Timbrell: Wind-generated electricity is much less expensive than solar, but is much more expensive than any conventional method.

Mr. Williams: But I am speaking of the comparatives of these two new areas that we are moving into.

Hon. Mr. Timbrell: Yes.

Dr. Higgin: I think the figure you quoted from Westinghouse is an estimated committed; It's not actually a firm commitment at this point in time. It's a commitment that they expect to undertake to build so many units in about five years time. The commitment made to date is a significant one. They are going to spend \$7½ million on building what they call a one-megawatt scale wind turbine, and I understand General Electric has in fact got that contract. So the commitment really is that if that experiment works out, they will follow that with so many of these units. The following costs will be significantly less than for the first unit.

They are projecting power production costs which are very similar to those we talked about the other day for the Magdalen Islands wind turbine, and that's of the order of 3.8 cents, 3.5 cents for a kilowatt-hour. This is what they're projecting in areas with 15-mph winds or greater.

So I think we can say that the Canadian machine—the NRCDAF machine; the Nation-

al Research Council/Dominion Aluminum Fabricating vertical axis machine, of which the first one will be installed in the Magdalen Islands—certainly can be considered as a competitor to the American technology. It is in fact somewhat lower in capital cost and slightly less efficient, but on the whole it can produce power in the same wind conditions at competitive prices. The National Research Council is just embarking on its own programme to develop the one-megawatt scale version of this wind turbine.

So I think there is a valid point to be made for Ontario that although maybe the wind conditions aren't that good here for wind energy applications, with perhaps the exception of parts of northern Ontario, we do have a technology base resident in the province in one company. I would hope that the federal and other agencies would encourage them and in fact we might see a reverse in that the Canadian technology is being utilized in the United States. That would be my hope.

Mr. Williams: Are you conversant with any private companies active in the field here?

Dr. Higgin: Oh, yes. I am conversant with a number of companies. The point is that all of the private companies have units which are no larger than six kilowatts of maximum output capacity at this point in time. These units, as we realize, are very interesting for remote applications, possibly for cottages and these kind of things, and certainly they may be marketable in other parts of the world. A small company that's located on Consumers Road and also has a shop in Markham developed its own wind turbine. It was taken on a marketing tour by Industry and Tourism to the Caribbean and sold quite a few units in that location.

Mr. Williams: What were they used for primarily?

Dr. Higgin: Just for local power generation with batteries, in areas where there was no grid, diesel oil was expensive and they had good onshore winds. So there is a market for small wind generators. I tend to feel, however, that probably the market is going to be better in other parts of Canada and possibly the United States because of higher power costs and better winds.

Mr. Williams: I can't quarrel with you up to that very last statement about better winds. It's my understanding that the farther north you move, the prevailing winds are more constant.

Dr. Higgin: Yes.

Mr. Williams: So that in Ontario, for instance, as contrasted to, say, the mid-United States, you would have a more-constant factor there that would ensure a better source.

Dr. Higgin: It's not unlike solar energy. It's not a question of simply the radiation. It's due to atmospheric circulation currents and these are most prominent near the oceans and over bodies of water. So these are really the areas where you would tend to get the

stronger winds—in the coastal regions. This is evidenced in Canada. The Magdalen Islands are in the Gulf of St. Lawrence, as you know, and they have very close to 20-mile-an-hour mean annual winds. The best recorded wind speeds in Ontario are about 12½ miles per hour. As I said the other day, since the power available varies as a cube of the wind speed, it makes quite a significant difference in the cost of power.

The committee recessed at 6 p.m.

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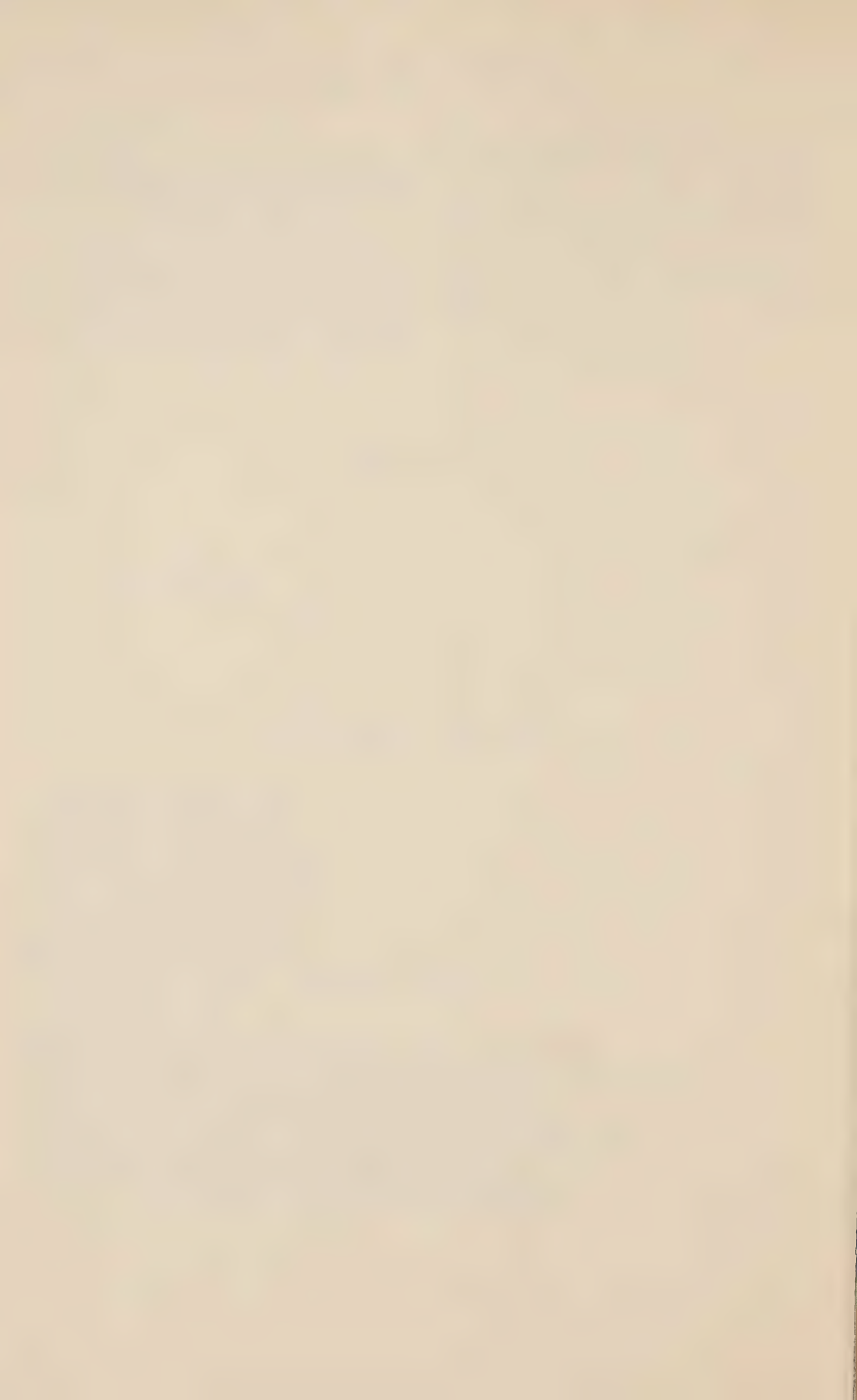
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 Makarchuk M. (Brantford NDP)
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Ministry of Energy officials taking part:

Button, Dr. H. F. Executive Co-ordinator, Policy Development Group
 Clendining, R. H., Senior Adviser, Crude Oil and Natural Gas, Policy Development Group
 Finlay, Dr. B. A., Adviser, Nuclear, Energy Conservation Group
 Frame, A., Senior Adviser, (Hydro) Utilities, Policy Development Group
 Higgin, Dr. R. M. R., Adviser, Alternate Energy, Energy Conservation Group
 Johnson, Dr. A. C., Executive Co-ordinator, Energy Technology Group
 MacLean, D. D., Director of Operations, Ontario Energy Board
 Rowe, Dr. I. H., Executive Co-ordinator, Energy Conservation Group





Legislative Assembly

Legislature of Ontario Debates

SUPPLY COMMITTEE—1

**ESTIMATES, MINISTRY OF
ENERGY**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, November 18, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

THURSDAY, NOVEMBER 18, 1976

The committee met at 8:10 p.m.

ESTIMATES, MINISTRY OF ENERGY (concluded)

On vote 1802, energy policy programme.

Mr. Williams: I think Dr. Higgin was answering some questions. I just have one or two more, Mr. Chairman, if I might.

We were talking about some of the activity in the private sector in the way of development of equipment for producing energy from wind. I understand there are basically two types of component units on the market now which are being experimented with and, in fact, marketed. Could you elaborate as to what type of units are being worked on, and are there any significant differences between the types of units? I think one is called a vertical unit and another is a horizontal-axis-type wind machine.

Dr. Higgin: Yes, there are two basic types of wind generators. In Canada we have companies that are manufacturing both types. The horizontal-axis or propeller type of wind generator is somewhat longer in its history than the vertical-axis machine. There is no real basic difference between the two machines. They operate on the same aerodynamic principles, but the major difference is that the vertical-axis machine does not have a self-starting capability. It has to be spun up to a certain minimum speed before it will take hold and then continue to get to its operating speed and generate power. That's the major distinction.

Of course, there's a lot of controversy now, or competitiveness, as to which of these two types of machines is going to work out to be the most economical, particularly in the large size range. The smaller machines are a well-proven type of technology and have been used in the past in many places in various forms and have been highly successful. There is no problem with the technology, it's just simply a question of economics as to their applications.

I think the point we were discussing before is the fact that we had the capability of making these machines in Canada, more specifically in Ontario, and what we should do with this capability. As I tried to say before, I feel money should be put into trying to develop these new types of technologies where Canada has a lead and has a viable product, and we may well be able not to utilize the machine so much here in Ontario but be able to create an industry for other parts of Canada, for the United States and for overseas. It is my opinion that we're now well in front and if we don't do something, the major funding that's going into the US wind energy programme is going to pay off and we, as so many times in the past, will lose any advantage that we had in Canada and we will become poor second cousins to the US technology.

[8:15]

Mr. Williams: I gather then from what you're saying that it could develop into an export market as far as manufacturing of these types of machines.

Dr. Higgin: I think there's definitely that capability. The equipment that's being produced on a prototype basis here in Canada is as good as the equipment in the United States, maybe better. It certainly has a potential to supply the export market as this develops. How this will develop, of course, is a very open question at this point in time as to whether the economics of wind generation for large-scale power production, feeding into the grid in the so-called fuel-saver mode—which is the one that seems to be the path being pursued in the United States and here in Canada—are going to work out. I think it'll be some time before it's known that we do have that capability here and it's something that we could try and capitalize on as a high technology industry within Ontario.

Mr. Williams: Well, then my last question on that point. Earlier I raised the point about this rather substantial US government award to either Westinghouse or GE; I think it was Westinghouse—and there may be other similar significant programmes under way in the

United States. What impact is this having on Canada now or what kind of threat would this be to development of our own resources for this type of energy programme? Or do you have enough information on those?

Dr. Higgin: The main worry, of course, is that Canada has not gone into the development of very large horizontal-axis machines as the US have with their Model Zero, which is at Plum Brook, Ohio, a 100-kilowatt machine. We've gone in the direction of the vertical-axis machine.

However, the US, largely as a result of the preliminary good reports about the performance and economics of the vertical-axis machine, has been funding Sandia Laboratories which is an ex-aerospace company in the US, in the vertical-axis machine area. They are very rapidly catching up on the lead that the Canadians have and they are getting considerable amounts of federal money into their programme and I've heard the opinions expressed, both by the federal government and by the company that manufactures these machines, that they feel that we have a lead of about a year now and that will be whittled away if we don't watch out.

Perhaps within a year or two we will be behind unless we try and get on with developing the units and more importantly putting them on to a commercial basis. There's a great discrepancy between the amount of money being poured even into that one small sector, Sandia Laboratories and vertical-axis machines, and the amount of money that the Canadian federal government is putting through its vertical-axis machine programme. I don't know whether you agree with the opinion that the more money you put in the more results you're going to get, but there must be something in that area.

Mr. Reed: A point of clarification, Mr. Chairman. Dr. Higgin, you've alluded to the lack of a self-starting mechanism on the vertical-axis machine as being something of a drawback. Perhaps it would be in order to make it plain that the lack of startup facility on that machine was built into the machine specifically so that it could operate by induction and that a startup capability can be built on to the vertical-axis by the simple application of a Savonius rotor on the axis itself.

Dr. Higgin: That's the approach being used by Sandia Laboratories in their machine but as you say, the capability for the machine to require startup is an aerodynamic phe-

nomenon; it's not related to induction. The way it's got around is to motor the machine through by backfeeding it from the grid and this is the mechanism that's going to be used in the Magdalen Islands. They'll sense the wind and when the wind seems to be good enough for the machine to run, they'll feed power back out of the grid into the machine and motor it up to speed and so on. That's the way it will operate.

In certain situations it doesn't have a disadvantage and, as you say, you can get around it by installing a Savonius rotor. I don't know how best to describe that. It is perhaps an oil drum sawn in half and fastened on the central shaft of the machine. It's a kind of what we call an impulse device.

It means its rotational speed will never exceed the speed of the wind but that will get the machine up to sufficient speed for the aerodynamic lift on the main rotor to take over and it will accelerate up to its operating speed. There is a way around it as you say, by that mechanism.

Mr. Williams: I think it's quite clear from what has been stated that this does involve a policy of whether we work in concert with the federal authorities or through our own initiative. I think we must assure that the lead time we apparently have in this field is not overcome and that foreign companies with new technology bypass us in this field. I would hope that our ministry can in some way provide some initiative to the private sector, which apparently has the advantage at this time, particularly because it apparently is resident initiative which is showing leadership at this time.

Hon. Mr. Timbrell: I would hope, Mr. Chairman, through you to Mr. Williams that a combination of the work we've already done on the basic research into the potential of wind power in this province, the demonstration project which the federal government's undertaken on the Magdalen Islands and what hopefully will develop into a test site for eventual development in this province, will be that impetus for the further development of that particular industry in the province, and that more and more of a market will open up. I think that's the important thing—that you do everything possible to create a market so there's that incentive to develop further in the industry.

I mentioned before the supper break the fact that I've asked Mr. Gillespie to convene a meeting of the energy ministers specifically to talk about research and development. Every time the ministers get together we

have a lengthy agenda and it seems that research and development is always at the bottom. It's the last thing we get to or something we never get to. I complained about that the last time and I've now asked for a conference specifically on that subject so we can zero in on some of these problems and try to co-ordinate what the provinces are doing and try to get some assurance from the federal government that there will be more moneys forthcoming from NRC and whatever other financial vehicles there are. We will do what we can. We've got a big increase this year. I'd like to see more—I'm trying for more—but that depends on the overall priorities of the government.

Mr. Williams: I think you should be commended for showing that initiative. I think certainly not only solar energy but wind energy should be a high priority at that conference if you do meet, if you can call it together.

There was one other point I wanted to touch on, Mr. Chairman, if I might. Apparently it was discussed, I guess, yesterday at some point in the estimates when I wasn't here and was referred to earlier this afternoon. That's about the reliance on thermal coal and moving into western Canada to obtain substantial quantities of that. I presume the discussion revolved around the cost differential involved in acquiring western coal as contrasted to acquiring coal from the traditional eastern US sources. Is that correct? I don't want to duplicate what may have been discussed.

Hon. Mr. Timbrell: No, we didn't touch on the cost. It will be more expensive. We're not entirely certain of the final cost yet because the Alberta royalty system on coal relates to profitability of the mining venture but it will be more expensive by perhaps \$10 or so a ton.

Mr. Williams: I had understood, and I think it was in a bulletin that was issued by Ontario Hydro, Mr. Minister, that the cost would be double what it would be for the same quantities from the US source.

Hon. Mr. Timbrell: No, I don't believe they said double. It could be as much as 50 per cent more than American coal, but I don't believe they have ever said double.

Mr. Williams: Even 50 per cent more is a pretty substantial increase. In the quantities and amounts of money being generated I think it's great to have diverse sources to hedge your bets, if you will, up to a point. I don't know what percentage of the western

purchases will constitute the whole of their purchase of thermal coal over the next five- or 10-year period, but if it's a 50 per cent increase in cost, I would hope that's not on the basis of our going 80 per cent to the purchase of western coal as compared to US sources.

Hon. Mr. Timbrell: It's about nine million short tons a year now. By 1985, it could be 14 million. Mr. Lamb, what's the projection for 1985?

Mr. Lamb: The current consumption is about nine million tons. The western coal movement they have just negotiated is up to three million tons. By the mid-eighties, it will be around 17 million, so it's about 20 per cent or thereabouts.

Mr. Williams: And the cost differential is as the minister stated?

Mr. Lamb: That's right.

Mr. Williams: As I understand it, there will be a fair amount of rolling stock that will have to be acquired, and improvement of shipping facilities to the Lakehead to accommodate these mass movements of coal.

Mr. Lamb: That's all taken into account.

Mr. Williams: Is that taken into account in that cost?

Mr. Lamb: Yes, it is.

Mr. Williams: I see. How far along is Hydro in this area? Have they placed orders for equipment and for improvement of route facilities?

Mr. Lamb: The Coal Valley project of the Luscar coal mine in Alberta has been given the permit to go ahead. That's the thing that was really holding up the movement, the permit from the Alberta government.

The Thunder Bay handling terminal is now proceeding and I believe Hydro is now looking for the rail movement and the barging movement from Thunder Bay down to the stations. They're contracting for those, but just where they actually are at the moment I don't know. The whole movement was subject to receiving the permit from the Alberta government, and now that that's been received the whole movement will go ahead.

Mr. Williams: I wasn't clear, is this a five- or 10-year long-term purchase commitment with the Alberta government?

Mr. Lamb: With Luscar it's a 15-year contract.

Mr. Williams: Are we locked into a specific cost per ton or is it a graduating formula that's being applied? What protection have we given ourselves in this long-term commitment to ensure we are not subject to unanticipated increased costs?

Mr. Lamb: The contract is essentially a cost-based contract. There is provision for escalation of operating costs. The thing that is variable, I guess, is the level of royalty. As part of this Alberta coal policy there is the right to review the price from the mine periodically, so that is subject to change.

Mr. Williams: That comes up when? Is that on a year to year basis?

Mr. Lamb: I think it's at least every two years.

Hon. Mr. Timbrell: There's also a protective clause in there that if American coal exceeds their prices, that's taken into account. It relates to the cost of American coal delivered to Toronto, or to Hydro, and if it starts to exceed Alberta coal that would work in our favour. That clause was one of the last things that was put in.

Mr. Williams: Just to leave the matter in perspective, what is the percentage acquisition of US coal to western coal over the next five-year period? What does that work out at? [8:30]

Mr. Lamb: I believe the only firm contract that Hydro has, in addition to the ones it has at the moment, is the three-million-ton contract with US Steel. That's a three-million-ton-a-year contract for 30 years, which will take their US purchases up to around 12 million tons. So if you like, this western coal is equivalent to the increased US supplies they have under agreement now.

Mr. Williams: I'm sorry, I lost you there. I was just looking for percentages. With this new arrangement what percentage of our coal will be coming from western Canada?

Mr. Lamb: By 1980 it will be about a quarter.

Mr. Williams: About a quarter of it; so still the bulk of our thermal coal supplies will be coming from the US.

Mr. Lamb: That's right.

Mr. Wildman: I want to follow up on some comments made earlier this afternoon by the member for Algoma-Manitoulin (Mr. Lane). I know I agreed with him on some of the comments he made, although not all, in re-

gard to the cost of gasoline and oil. I'll talk specifically about gasoline in small communities in the north, and before the minister makes the point, which is a valid one I think, that there is a disparity between the cost of gasoline in small communities and large communities in southern Ontario as well as in the north, I'll say I recognize that.

I wanted to point out once more that the cost of a gallon of gasoline in the small community in the Algoma district is much higher than it is in the main centre of Algoma district, in Sault Ste. Marie. I understand that there is competition and other reasons for that, but I still don't think that justifies the fact that you now buy high test gasoline in Wawa by the half gallon because it costs 51 cents a half gallon. They can't go over a dollar on the pumps.

Hon. Mr. Timbrell: On the old pumps, yes.

Mr. Wildman: As I said, I recognize there's very high competition in Sault Ste. Marie, that the oil companies claim there are too many gasoline outlets for the population—or more than they would consider the optimum, I suppose—and also that they have a higher volume sales in a city the size of the Sault compared to a small place, but I still don't understand, if you go a little bit farther north than Wawa, why the dealer in White River is paying more for his gasoline when he buys it from the oil company than the consumer is buying from the dealer in Sault Ste. Marie.

I find that rather hard to justify in relation to anything that has been published in the last few months with the commission or any—

Hon. Mr. Timbrell: If you look at the commission report, Mr. Wildman, you find reference there—and this is a well-known fact among retail operators—that in the competitive markets there is dealer support from the companies.

Mr. Wildman: Right. That's the case in the Sault.

Hon. Mr. Timbrell: Yes. I ran into one of the vice-presidents of one of the companies on the street two weeks ago and he was telling me that in their case they have dealer support markets now of as high as 14 cents a gallon, that they are rebating to their dealers in certain markets where the competition is extremely intense in order to keep their dealers in business and to maintain their share of the market. In the less competitive markets this is not the case.

Mr. Wildman: Right. In essence, what's happening is that the people who live in the

small communities are subsidizing the low-cost gasoline for the people living in the large communities with a larger amount of competition.

Hon. Mr. Timbrell: I think overall you have to look at, first of all, a couple of points that the commissioner makes. He's got access to the books and he's got the material from all the companies that forms part of the record now which is filed in the archives of the commission, which shows that the business of refining and marketing in the province is one of the lowest returns on a business activity of any business in the province.

Mr. Makarchuk: Do you believe their figures all the time?

Hon. Mr. Timbrell: I think you have to look at the fact that the royal commissioner (a) got the figures, and (b) had them audited, and then cross-examined them.

Mr. Wildman: I don't really want to get into a debate about that. Let's leave that aside for the moment. If you want to take as given, for the sake of argument, that there is a need for higher-priced gasoline, the fact remains that there is a tremendous disparity between the cost of gasoline in Sault Ste. Marie and in Bruce Mines, only 40 miles apart, because you pay 10 to 15 cents more for a gallon of gasoline in Bruce Mines than you do in the Sault.

Aside from the whole argument about the cost of refining and so on, there is a retailing problem, as far as I see it; it's a problem of getting the product to the consumer at a fair price. The situation we face is that because there are a large number of gasoline dealerships and self-serve stations in Sault Ste. Marie—

Hon. Mr. Timbrell: And independents.

Mr. Wildman: —and independents—they obviously have a much larger consumer market; so the people in Sault Ste. Marie are paying a much lower price than people who live in communities which are not more than an hour's drive away. Then you get the extreme situation when you drive 200 miles north to White River and look at the prices at two or three gasoline dealerships in White River. The Minister of Industry and Tourism (Mr. Bennett) came into Algoma riding last summer and said tourism was down because of the American Bicentennial and the Olympics. Those probably had a bearing on the situation, but I would also advise any government official coming into Algoma to look at the gas pumps; the prices there have a very

big bearing on the amount of tourism in northern Ontario.

Hon. Mr. Timbrell: The basic question becomes this, do you set up some kind of a government regulatory body such as the Nova Scotia Public Utilities Board? Actually what you would do, I suppose, is give the Ontario Energy Board some additional authority that it doesn't have now. That would have the effect—and the Nova Scotia experience speaks for itself loud and clear—of raising prices generally in most of the province and not dropping prices appreciably in the kinds of communities about which you're concerned and about which my colleague from Algoma-Manitoulin (Mr. Lane) is concerned.

Mr. Wildman: And which everyone in the north is concerned about.

Hon. Mr. Timbrell: Listen, my mother lives in a little village called Sydenham, outside of Kingston. One of the two stations in town closed two months ago because the operator couldn't stay in business any longer. His prices were about 10 or 15 cents a gallon higher than Kingston, but the market wasn't there; so he closed his door.

Mr. Wildman: That's exactly what's going to happen to places like Bruce Mines and every small town that is in the vicinity of a larger centre.

Hon. Mr. Timbrell: The point is, do you set up a complete regulatory system that will have the effect of raising the prices to 97 per cent of the customers? Or do you, as the government has been trying to do through the northern support grants, take cognizance of the fact that a number of commodities are more expensive in the smaller northern communities and allow for those differences through a 15 per cent additional grant, over and above grants to southern municipalities?

Mr. Wildman: The argument of the support grant has been used in other cases. It was used to justify the fact that freight rates weren't equalized by the Ministry of Transportation and Communications. Are you going to start looking at that for everything? Gasoline costs more and transportation will increase the cost of goods—

Hon. Mr. Timbrell: It wasn't too long after I came into this House that the government, through ONTC, experimented with the freight rates, trying to bring commodity prices down. You know as well as I do what the result was.

Mr. Wildman: Yes, I know. CN and CP didn't follow suit.

Hon. Mr. Timbrell: Totally aside from that, there was no way we could guarantee that the difference in the freight rate on the ONTC, which we had put into effect, was going to be passed on to the customer. In fact, in most cases we found that it wasn't being passed on. We had no control over the retailer. This is where I have to disagree with my friend from Algoma (Mr. Wildman). If you put in a regulatory system, the only way you could guarantee that the prices would be equalized would be to regulate the 9,500 retailers in the province as well. We know right now that there are retail margins in a place like Red Lake of 17½ cents a gallon. In Toronto they are about 7.8 cents a gallon. There's 10 cents pretty well right there.

Mr. Wildman: I understand that. In Sault Ste. Marie the margin is about six cents; in Wawa I believe it's about 12 cents or something like that. I don't dispute that, but that's also related to volumes. Let's face it, if the guy has a smaller volume he's going to have to have a larger mark-up or he's not going to make a living. As long as you're far enough away, you're okay. If you're near Sydenham or in Bruce Mines you're going to go out of business.

Hon. Mr. Timbrell: You can. What I'm asking you to answer is this: Do you set up a system with the bureaucracy that goes with it and based on the only model we can look at anywhere on the continent with higher prices to most of the consumers? Or do you do something through support grants or other income systems for the north to try to take into account those things? Otherwise, you're going to saddle the province as a whole with higher energy bills than is necessary.

Mr. Wildman: It seems to me, there are two things in response to that. Then I want to go on to a couple of other problems because I know we're not going to get too far on this. It seems to me there is no need for northerners who supply most of the resources that the affluence of the south is built on to make any apologies at all for the demand that the south and larger communities should subsidize to some extent if it means lower prices for commodities in the north. I don't think that is solved through the support plan.

If your government supplies White River with water and sewer, then I would say you're doing something for this community. All right, we'll live with higher gasoline prices. But the whole thing ties together. When you're living in communities without the amenities that are taken for granted in larger

communities, I don't see why you should have the double jeopardy of having to pay much higher prices. A situation where the dealer is paying more than the consumer in Sault Ste. Marie is just ridiculous.

Hon. Mr. Timbrell: This thing can be carried to extremes. I don't know what a three-bedroom house in White River costs, but I know what it costs in Don Mills.

Mr. Wildman: They don't have them in White River. They don't have any houses. They've been trying for years to get water and sewers so they could build some houses.

Hon. Mr. Timbrell: They've got houses in White River.

Mr. Wildman: They're all falling down. They were built by CPR in the 1930s.

Hon. Mr. Timbrell: Come on! I don't start off from any particular bias against regulation of the kind that has been discussed. I have to look at the net result for all of the province. The net result is that prices will be higher. I mentioned this afternoon—I don't know if you were here—that the minimum dealer margin in Nova Scotia is 12 cents a gallon. The dealers in Metro and in Sault Ste. Marie would love to get 12 cents a gallon, but that would tack four or five or six cents a gallon on to the price of gasoline in the Sault, Timmins, Sudbury, Thunder Bay and so forth. I have to ask is that the route to go to try to attack the problem in Wawa, Gore Bay, Little Current, Sydenham and places like that? Or is there some means that you have to attack it through some form of support grant through the municipalities to those people, rather than saddling everybody in the province, and that extra tax will come from the same areas that we are talking about, namely, in the south by and large?

Mr. Wildman: I won't belabour that point except that I do agree with my friend from Algoma-Manitoulin (Mr. Lane) in his position in this case. The only good thing about the situation in Wawa is that when an American tourist drives into this station and he sees 51 cents he thinks he's getting a real bargain.

Hon. Mr. Timbrell: That's an issue which we discussed yesterday. I don't know whether you were here but the relative taxation is a whole different issue.

Mr. Wildman: There are a couple of other things I want to bring up. As you probably know—certainly as the member for Algoma-Manitoulin is aware—one of the main prob-

lems along the North Shore and one of the things which lead to such a large unemployment rate in the vicinity of 20 per cent—

Mr. Haggerty: It's like that in the Fort Erie area, 20 per cent.

Mr. Wildman: I'm not boasting. One of the main problems which leads to that high unemployment rate is a lack of sources of energy for industrial development along the North Shore. As you are probably aware, one of the problems of the veneer operation at Blind River was that they didn't have adequate energy and they had to send the product to North Bay for further processing because the energy was in North Bay, and then bring it back.

I'm wondering if there are any plans at all—or whether it's gone completely out the window—to extend the pipeline from Espanola along the North Shore toward the Sault? Is there any at all?

Hon. Mr. Timbrell: I'm not aware of any plans. Is it a gas line?

Mr. Wildman: Yes.

Hon. Mr. Timbrell: I'm not aware of any plans.

Mr. Wildman: If that is the case, can you tell us what time frame we're looking at when it comes to all the studies being done and the position of the Treasurer (Mr. McKeough) in regard to Hydro's borrowing which, I agree, we have to look at. I'm glad we've had the studies but can you tell us what time frame we are looking at when it comes to postponement of the projects Hydro was looking at, one of which was in the North Channel area?

[8:45]

Hon. Mr. Timbrell: In the new year we should have some indication of site preference. The citizens' committee are working. I don't believe that the North Shore station is expected to have an in-service date much before what—1985? It's one of the priority projects before the Porter commission but I don't believe the in-service date for the station on the North Shore is much before 1985 or 1986.

Mr. Wildman: The citizens' committee are now in the process of studying the whole thing.

Hon. Mr. Timbrell: In terms of site.

Mr. Wildman: Yes, in terms of site. As you know, Hydro hasn't decided—at least it says it hasn't—if it does go ahead, whether

or not it's going to be coal-fired or nuclear. Is there any indication one way or the other as to whether we are going to be getting some of that western coal for this area? Or is it a fait accompli, although Hydro says it hasn't decided, that if the project goes through it's going to be one rather than the other? Or is it really in a state of flux?

Hon. Mr. Timbrell: No, the fuel has still to be decided. The first thing is to find the site and then, depending on the site, you decide on the fuel. If it was fossil-fuelled I suppose there is a possibility they might use some of the western coal but I think, basically, to be realistic, it's either coal or nuclear.

Mr. Wildman: Yes, it's one or the other. As you probably are aware, MTC's design studies for a four-lane highway are on the basis of Atomic Energy of Canada's guidelines as to how far away a major thoroughfare should be from the location of a nuclear plant. Obviously, they have to do that because it hasn't been decided.

So, really, people on the North Shore aren't going to know as far as a site is concerned and, if a site is chosen, they are not going to know about the type of plant for quite a few years. Is that correct?

Hon. Mr. Timbrell: It will be a year and a half or two. As you know, there is a very lengthy, detailed and most complicated public participation procedure which is standard now for the selection of any station. I know my friend from Algoma-Manitoulin and his constituents have made it very clear where they don't want the station.

Mr. Wildman: Yes, that's right.

Hon. Mr. Timbrell: We'll know soon enough, very shortly, on that question and then proceed from there into some design and environmental impact studies based on the decision on the fuel type. I think within the next 18 months roughly, they'll know site and they'll know the reference for the type of fuel.

Mr. Wildman: Are the citizens' committees also studying the desirable places for transmission lines as well as the site of the plant itself?

Hon. Mr. Timbrell: No, I don't think so. I think they're just looking at the site.

Mr. Wildman: If the plant is built, no matter whether it's coal fired or nuclear, is it likely that most of this power is going to go to Sudbury or to the Sault? Mostly Sudbury I would think, from transmission lines. Is

there any possibility that this is actually going to provide the needed energy along the North Shore for industrial development there?

Hon. Mr. Timbrell: I think so. The 500-kilovolt line that exists now between southern Ontario and the north, as I understand it, feeds power to the north more often than it brings power south.

Mr. Wildman: Right now that's the case, yes.

Hon. Mr. Timbrell: This station, if, as and when built, from my understanding of it, would provide the power into the North Shore-Sudbury area.

Mr. Wildman: That's very significant, because down here when you look at the situation you can say the Sudbury-North Shore area; when you're on the North Shore, they're two distinct and very different and distant areas. The people on the North Shore aren't too concerned about developing more industry in the Sudbury basin. Although secondary industry is needed there, there is not nearly the kind of unemployment in the Sudbury basin that you have along the North Shore. There isn't anything like it; it's just not comparable. If most of that power is to be transmitted through lines to the Sudbury basin, I wonder what impact it's going to have in the area where it's built as far as secondary industry is concerned.

Hon. Mr. Timbrell: It should have a very good impact in that the station will be there and easily connected, I would think, by lower voltage lines, possibly, than 500 kilovolt—perhaps by 230 kilovolt—into other areas around the North Shore. I think I'm correct that the anticipation is that the connection to the suburb area would be a 500 kilovolt connection.

Mr. Wildman: I've had contact with Hydro, obviously, on this situation and with the committees, but I would certainly hope that if the plant is built to generate power in the area—if it is decided, through all the studies, the various committees, the royal commission and so on, that it is needed—that it is going to benefit the area economically rather than simply be exporting power to another area that may need it but is not directly having an effect as far as the development of industry in the area.

Hon. Mr. Timbrell: Let me ask a question of my staff. What's the load for Sudbury now? Do you know what the Sudbury load is right now?

Mr. Frame: Inco itself is 200 megawatts. I believe that Sudbury itself, with all its industry on top, is about another 80 to 100, and I stand to be corrected on that. There's a lot of other things besides Inco and Falconbridge, but Inco is the largest load in the province—200 megawatts.

Hon. Mr. Timbrell: All right, so the total load including Inco would be less than what this station would be?

Mr. Frame: Far less. Mr. Minister, there's a point which Mr. Wildman may not understand, that the distance of the impact and the attraction to industry of the North Channel plant, the cost of the power coming out of the North Channel plant would not necessarily benefit any industry locating at or near Sudbury or anywhere along the North Channel.

Mr. Wildman: No, I understand that—

Mr. Frame: Whether a plant is located in the area, in Toronto, or in Windsor or in Kingston they would receive power at the same cost. It's the cost-pooling principle of Ontario Hydro.

Hon. Mr. Timbrell: I think Mr. Wildman understands that.

Mr. Frame: He understands that, sure. There's going to be no benefit of being close to a hydro plant vis-à-vis the cost of power.

Hon. Mr. Timbrell: I think Mr. Wildman's concern is that there be an available source which can be tapped for the power, recognizing that it forms part of the Ontario hydro pool—

Mr. Wildman: Most certainly the cost is different.

Hon. Mr. Timbrell: Yes.

Mr. Frame: The grid system now, at 230 kilovolts, is certainly adequate to supply any industry and as expanded at 500 kilovolts will be adequate. So there is really no place in Ontario that an industry cannot locate, really—almost no place—and not have an adequate source of power including anywhere along the North Channel.

Mr. Wildman: I fully understand that, that's why I was asking this. Because one of the main arguments that has been made in the area in favour of a North Channel plant has been that this would produce industrial development in the vicinity and I understand that there is hydro power available now for industry.

I think it's outside the purview of this ministry. I'm going to be in the estimates of the Ministry of Industry and Tourism pointing out why that industry isn't there, why it isn't using the power that's available now and why we have 20 per cent unemployment along the North Shore.

Hon. Mr. Timbrell: That's the next estimates.

Mr. Wildman: That's right. There are a couple of other things that relate directly to your estimates here. Can you tell me what progress you're making on extension of electricity to the remote communities in the northwest that are not hooked up to the hydro grid and where people have to generate their own electricity?

Hon. Mr. Timbrell: As you know, in your caucus this peculiarity affects your colleague from Lake Nipigon (Mr. Stokes) and yourself.

Mr. Wildman: That's right.

Hon. Mr. Timbrell: I indicated to the member for Lake Nipigon yesterday or on Tuesday that we are working on a policy which would embrace all remote communities in the north, setting down criteria as to the sizes of communities which would be covered by this new policy—rate structures, means of delivering electricity to those communities and so forth. I indicated to him that I expect to have something on that to announce publicly within the next—I think I told him a month and a half to two months.

Mr. Wildman: Good. As you know, we have had correspondence on places like Oba, Dalton and Missinabie and places like that, where, of course, as I've mentioned to you in the past, Oba has had five fires in the last two years caused by Delco generators malfunctioning.

Hon. Mr. Timbrell: There are two things here that we have to make clear. I think it's impossible—I know it's impossible—to suggest that we can cover all of the small communities. There has to be a point at which you draw a line.

Secondly, I think we have to make it clear that while in a few cases we might be talking about line extensions, by and large, we will be talking about diesel generators.

Third, we have to make it clear that—take as an example the community of Hillsport which is in the riding of your colleague, where they are paying \$8 a month flat rate. They've got just above the lowest electricity rates in the province of Ontario today and

there's no way under electrification where some subsidy will have to be picked up either by the government or by the Ontario Hydro bulk power system. There is no way that rates that low can be maintained, so their rates are going to go up.

But, as I say, we'll have something definite on that within the next six to eight weeks.
[9:00]

Mr. Wildman: I agree with what you say about it being very difficult to take electricity to the small communities. But surely in the rail communities in the northwest along the CN and CP lines there is a large potential consumer, if the railroad is willing to purchase hydro power from Hydro.

Hon. Mr. Timbrell: In a lot of cases the railways are doing it themselves now, as you know, for their own facilities and for the homes of their own employees. Your colleague suggested that an appropriate cutoff point would be 25 households. That's the kind of thing we have got to look at. Is it going to be 25, or 35, or 15, or just what? I guess that is dependent on a couple of things, not the least of them being the amount of subsidy involved and in some cases trying to get a handle on what's the future of that community.

Mr. Mancini: Better talk to the Canadian Transport Commission.

Hon. Mr. Timbrell: If it relates to a particular project where you can see X number of years down the road that instead of there being 30 households there's going to be 12 or none, then you have got to take that into account as well.

Mr. Wildman: I just have one other question. I found a rather unusual situation in my riding in that we have a company named Great Lakes Power, which is a subsidiary of Brascan, which has a monopoly on supplying electricity to Sault Ste. Marie, Algoma Steel and the area from about Bruce Mines to Wawa in the Algoma district. They sell their electricity to the PUC in Sault Ste. Marie and directly to Algoma Steel. They also sell directly to the rural and small town consumers in the area. I'm just wondering if you can tell me who on earth regulates the rates of Great Lakes Power. I understand they buy a lot of their power from Ontario Hydro because they have been unable in the last few years to generate enough of their own power. They have made some applications for expansion as a result of that, which has led to some controversy. If they buy power from Hydro, then those rates are regulated by

Hydro. But what about the power they generate themselves, from their Montreal River generating station, for instance? Who regulates those rates?

Hon. Mr. Timbrell: The rates are basically set by Great Lakes. Maybe we could ask the chairman of the Ontario Energy Board to compare the two situations as between a Hydro rate proposal and a Great Lakes proposal.

Mr. Jackson: I'm sorry I can't answer that question. The question was raised in the first Energy Board hearing on Hydro rates. My recollection is that it was not satisfactorily answered. It was not an answer that we had to have for the purpose of our hearing. I'm not sure it has been satisfactorily answered since then.

Hon. Mr. Timbrell: As a private company are they not subject to the provisions of The Anti-Inflation Act in terms of net margin tests and so forth?

Mr. Jackson: Yes, they would be subject to that.

Hon. Mr. Timbrell: To that extent they are regulated by the provisions of The Anti-Inflation Act?

Mr. Jackson: Yes, in respect of rate increases.

Mr. Wildman: Do the consumers who buy directly from Great Lakes and buy power from Great Lakes that is generated by the company itself from its own generating station not have the same kinds of protection that consumers of Ontario Hydro do? Is that correct?

Mr. Jackson: I believe that to be correct. As I say, the question was raised before the board and we did not get a satisfactory answer to it at the time. I really don't know for sure the answer to your question, but I think you are right.

Hon. Mr. Timbrell: They are under The Anti-Inflation Act. Ontario Hydro is not, except to the extent that the government has directed Hydro to abide by the spirit and intent of the Act.

Mr. Jackson: Yes, that is correct as far as interest in rates are concerned.

Mr. Wildman: Obviously, because they buy such a high proportion of their power from Ontario Hydro, when Ontario Hydro raises its rates, Great Lakes Power does and always has. They don't just raise it on the power

that they buy from Hydro because how do you determine that? They raise their rates on all of the power that they sell to their consumers.

Hon. Mr. Timbrell: Again, what I'm saying is that would form part of their costs and, as a business enterprise subject to The Anti-Inflation Act, all of their costs would go into the calculations for conformance with The Anti-Inflation Act on the net margin test.

Mr. Wildman: The anti-inflation programme of the federal government is a temporary thing; at least that's what has been said up until now. What you are saying to me now is that whatever comes after the AIB programme ends, if there is no overall control over profit increases—I would question whether there is now, but there is supposed to be—then the Great Lakes Power consumers have no protection other than the fact that a lot of the power that Great Lakes buys comes from Ontario Hydro.

Hon. Mr. Timbrell: Mr. Frame wants to add something, but I believe it has to do with the contract with Great Lakes.

Mr. Frame: The provisions of The Power Corporation Act give Ontario Hydro the regulatory authority over publicly owned municipal hydro utilities—there are 353 in the province—but it does not give them any authority over private companies such as Great Lakes Power.

Mr. Wildman: How many are there?

Mr. Frame: Six in the province. However, when a private company such as Great Lakes makes a contract with Ontario Hydro, Ontario Hydro writes into the provisions of the contract the right to review and agree upon the rates that the company will charge. I don't think you are correct that what Great Lakes is using is an overwhelming proportion. Great Lakes generates a fair bit of power and buys some from Ontario Hydro.

Mr. Wildman: No, the situation right now is that they are buying—at least, they say they are buying—most of their power from Hydro. That's why they have applied for another generating plant; they want to build a generating plant—

Mr. Frame: You may be right, but up until recently they were generating quite a bit; and, of course, it depends upon the run of the river and various things. But the situation is that up until—

Mr. Wildman: Excuse me, I should explain one of the reasons for the very high proportion of their purchases from Ontario Hydro this year has been the drought in the north and the low water levels.

Mr. Frame: It varies. They buy under contract from Ontario Hydro as required to fulfil their obligations. Up until this year, until the AIB programme came into effect, Ontario Hydro did not have to invoke the right to approve the rates because on all the utilities they were charging slightly less than Ontario Hydro. Their pricing policy was to be just a little bit less than Ontario Hydro, on the average. So it was not a problem.

Under the AIB programme, where the Ontario government has committed the Ontario public sector to follow the spirit and intent of the anti-inflation programme, it became necessary for Ontario Hydro to invoke the right they had under contract to agree upon and review the rates. So this year, for the first time, it becomes something which will be closely inspected, let's say.

Mr. Wildman: For the first time?

Mr. Frame: Yes. I'm not saying the rates that Great Lakes intends to impose will be above or below or out of line, but it's something which is being closely looked at. Ontario Hydro does have the right, because of the terms of the contract, to review and approve the rates charged by the Great Lakes Power company. Ontario Hydro will use that right in the case of Great Lakes, as it will with regard to the five other private power companies in the province that are under similar contracts.

Mr. Wildman: I think you have confirmed what I suspected. I tried to find out who, if anyone, other than Ontario Hydro, controlled this in relation to their contract. I phoned the Ontario Energy Board, and they didn't know about Great Lakes Power. They wanted to know where that was and was I sure that wasn't in Sault Ste. Marie, Michigan.

Hon. Mr. Timbrell: Hold it. Who did you ask at the Ontario Energy Board?

Mr. Manicini: The switchboard?

Mr. Wildman: No, it wasn't the switchboard. I finally phoned—it was a Miss Cane; I have a name here but I don't have the whole file here. I finally phoned a Mr. Glen Broomhead from Hydro, I think, and he told me about the Ontario Hydro connection but he said that, as far as he knew that was it. The Ontario Energy Board did not have

jurisdiction, no federal agency had any jurisdiction; and basically, in relation to any hydro, other than what it purchased in the contract, Great Lakes was a law unto itself as far as rates were concerned.

Mr. Frame: I think he's correct on all three facts. The Ontario Energy Board does not have any power over this.

Mr. Wildman: We have the situation of a monopoly, a private monopoly—

Mr. Frame: I think the proper word is franchise.

Mr. Wildman: It's a wholly-owned subsidiary of Brascan or it's a holding company for Brascan. Great Lakes, as a matter of fact, owns a controlling interest in Labatt's Breweries. Brascan transferred that from its holdings to Great Lakes. It's an interesting situation.

What we have here is a private monopoly which is supplying power which people have to buy if they're going to have power and nobody controls it. Nobody regulates it. I think that's a very strange and unusual position and I wonder if it's really a very healthy one.

Mr. Frame: You may be interested to know of the oldest contract in the province. Canadian Niagara Power, which covers the town of Fort Erie and parts of the Niagara Peninsula, Chippewa and Niagara Falls, in the year 1899, I think, received a 99-year franchise to generate power on the Niagara River and service certain areas.

That franchise is still in effect. Many other privately-owned utilities in that time—and maybe since—have received franchises or agreements to generate power and distribute it within a certain area. Many of them have been purchased or bought up by Ontario Hydro.

The most recent one you may know of was the Orillia Light, Heat and Power Company, which was about 10 years ago. Up to 10 years ago the town of Orillia, just 80 miles north, was served by a private company. Ontario Hydro bought that operation out, took over the generating facilities and established a public utilities commission in the town of Orillia.

That process has gone on since 1906. There are six left in the province which are privately-owned companies. Great Lakes Power is one of them.

Mr. Haggerty: Canadian Niagara Power's rate is lower than it is under Ontario Hydro.

Mr. Wildman: That's not the case with—

Mr. Frame: Mr. Haggerty, I'm glad you're here because you're very familiar with that company, I know. I am correct, I believe, in that they received a 99-year lease in the year 1899?

Mr. Haggerty: Well, it goes back quite a few years.

Mr. Frame: It runs out in 1998, I can tell you that. We've looked at that problem.

Hon. Mr. Timbrell: That was a Liberal government, anyway.

Mr. Wildman: Great Lakes rates are approximately the same or a little higher than Ontario Hydro's.

An hon. member: Do you mean they were giving it away, too?

Mr. Wildman: I don't have any further questions but it seems to me that it might be useful if there were some way of regulating this private monopoly in a more direct sense.

Hon. Mr. Timbrell: In this sense it's not really any different from the Kingston PUC or Toronto Hydro—

Mr. Wildman: They're publicly owned.

Hon. Mr. Timbrell: —in that Hydro, through its contract, has the right under The Power Corporation Act to review and, if necessary, set the rates. It's not really any different in that respect.

Mr. Frame: I'm not familiar with the exact details of Great Lakes Power but some of these private companies have a franchise based upon the municipal area or the local area. The agreement with the people who grant the franchise is renewable and there's a rate approval agreement. I'm familiar with the one in Gananoque which is renewed every five years and part of the renewal process is an agreement on rates for the five-year period. Being in the area, you would be more familiar with the Great Lakes Power situation.

Mr. Wildman: Great Lakes was formed as an investment holding company to acquire the assets of Great Lakes Power Company Limited which was a US-owned company which had been started quite a lot earlier. It's a private company which bought a US company which was providing power for the area before there was much communication with other parts of Ontario.

In 1973 it was purchased by Brascan; and in November, 1973, the company was reorganized. Brascan sold Great Lakes a 32 per cent interest in John Labatt Limited, a seven per cent interest in the Hudson's Bay Company and full ownership of Brascan Resources Limited. Basically what it's become is a holding Company for Brascan so they can use it as a tax haven.

[9:15]

Hon. Mr. Timbrell: You mentioned that the rates are roughly the same as those of Ontario Hydro. The alternative, I suppose, would be for Hydro to buy them out, but if the rates are roughly the same as Hydro the question becomes why would you want Hydro to carry the cost, to buy them?

Mr. Wildman: I don't want to prolong it here because I know we don't have much time, but I'm going to be pursuing this, because—

Mr. Mancini: Oh don't let that stop you.

Mr. Wildman: —although the rates are somewhat a little bit higher but not substantially higher than Ontario Hydro's, a lot of their other consumer practices are not nearly those of the Sault Ste. Marie PUC, which buys power from Great Lakes, or Ontario Hydro's consumer practices.

Mr. Haggerty: They are probably making money where Hydro isn't.

Mr. Wildman: So I just wanted to bring out this fact and find out, if you could tell me, if there was any direct regulation of them other than through their contract with Hydro? Thank you.

Mr. Frame: The contract is the only way at the moment.

Mr. Johnson: Mr. Chairman, I have a few brief questions, which is most unique for this committee.

Mr. Makarchuk: We should mate you with Mr. Williams.

Mr. Johnson: I have a letter from the Agricultural Institute of Canada, which was sent out to all the members.

Mr. Chairman: On your interjection, Mr. Makarchuk, you might be interested that Mr. Williams took 40 minutes and Mr. Wildman took 45. I have it right down here.

Mr. di Santo: Only 40 minutes?

Mr. Mancini: You guys should be the last to complain about time.

Mr. Chairman: Twenty minutes before and 20 minutes after supper.

Mr. Williams: A very fair and impartial chairman.

Mr. Chairman: We're trying to keep it in a sort of—

Mr. Reed: Both long-winded.

Mr. Johnson: I have a letter from the Agriculture Institute of Canada to all the members I understand—

Mr. Reed: Both long-winded.

Mr. Johnson: The Agriculture Institute of Canada. These two gentlemen are in my riding, C. F. MacGregor and W. J. McPherson. They made a statement that there is a power shortage in eastern Ontario, and I would like clarification on that; and secondly, that Hydro is considering building a generating station at Edwardsburgh.

Hon. Mr. Timbrell: Number one, I'm not aware that there is a power shortage in eastern Ontario. Are they specific about where in eastern Ontario?

Mr. Johnson: Their statement is that: "We understand they are presently short of electric power in eastern Ontario."

Hon. Mr. Timbrell: No.

Mr. Johnson: You're not aware of that? What about the generating station at Edwardsburgh, Ontario?

Hon. Mr. Timbrell: There are no definite plans to build a station at Edwardsburgh either.

Mr. Johnson: All right. The second question is: Did Quebec Hydro terminate its agreement to sell power to Ontario?

Hon. Mr. Timbrell: The contract runs out in November, 1977, in the fall; and the indications are that it will not be renewed.

Mr. Johnson: What about René, would he be interested in selling to Hydro?

Hon. Mr. Timbrell: He may be. As you know, both Ontario Hydro and the government intervened in an export application by Hydro Quebec to sell diversity power to the power authority of the State of New York. We were somewhat successful, inasmuch as the initial term of the contract was five years; the maximum life is to 1991, I think.

They were a little critical of Hydro, I guess indirectly the government too, in that we aren't in a position to say, right now, that we'll definitely need the power. What we were both trying to do was get some recognition of the fact that in five or six years down the road we may in fact need the power; we want some recognition on that.

I don't know who the new Minister of Resources will be in Quebec but, certainly, as soon as the name of the person is known there are a number of subjects that I want to discuss with that person and this will be one of them.

Mr. Johnson: Are you sure that they will want to discuss it with you?

Mr. Mancini: I hope he's not a socialist.

Hon. Mr. Timbrell: You're assuming it's a "he." There are two or three ladies in the Parti Quebecois who were elected.

Mr. Mancini: I'm sorry.

Mr. Reed: We're not taking your part at all. We have female socialists over here too.

Mr. Mancini: I hope the minister is not a socialist, how's that?

Hon. Mr. Timbrell: No, the minister is not a socialist, but we do business with Manitoba.

Mr. Johnson: It is my understanding that Iran is pushing for a 25 per cent increase in the oil price. I would assume that there will be some price adjustment. How badly will this affect Ontario?

Hon. Mr. Timbrell: They're meeting in the middle of December—that is the Organization of Petroleum Exporting Countries is meeting in the middle of December—and some member countries are pushing for as much as a 45 per cent increase in the price of a barrel of crude oil. Some are saying, "We should hold the line for at least six months."

It's difficult to speculate at this point as to who will be successful. I wouldn't even want to guess which of them will be successful, whether it would be the moderates such as Saudi Arabia, King Khalide and his minister, or some of the more radical members such as Iraq. But, obviously, if the price goes up it will have an impact on Quebec and the Atlantic provinces and on that portion of Ontario which is served from Quebec refineries.

That will create additional pressures for moneys for the compensation fund, which moneys are derived from the export tax and the excise tax. That may lead the federal

government to apply new pressures for further price increases across the Dominion.

But at this point the government of Canada will bring in a price increase of 70 cents a barrel on January 1 which will take effect March 1 and we have no indication that they intend to press for any further increases in 1977. They can change their mind on any point, I suppose, but at this point they have not given any indication that they intend to press for any more than that in 1977.

Mr. Johnson: I have one final question and that's in relation to Ontario's position. What does Ontario's—and, indeed, Canada's—supply and demand picture look like and are we likely to have a shortfall in the energy supply in the next 10, 15 or 20 years?

Hon. Mr. Timbrell: I think the best way to answer that—I don't know if they're still here. Do you still have those three or four charts with you?

Dr. Button: Yes, I do.

Hon. Mr. Timbrell: Okay, I think the best way to answer Mr. Johnson's question would be to just briefly run through these three or four charts which Dr. Button can describe and we'll just take five or 10 minutes to answer the question.

Ms. Gigantes: Don't tell me we're finally getting into slides? Can't we get through one set of estimates without slides?

Hon. Mr. Timbrell: What do you have against slides?

Ms. Gigantes: They take time when there are people who want to ask questions.

Hon. Mr. Timbrell: Mr. Chairman, Mr. Johnson, who is a member of the House, asked a question and I'm saying the best way to answer it is to show it graphically, commodity by commodity. If we may take five or 10 minutes then we can answer the question and get it out of the way.

Can I ask one question before Dr. Button starts? The staff associated with Hydro's conservation programme are here. This is the advertising programme which relates to the new television ads and various other forms of advertisements. Is the committee interested at some point tonight, Mr. Chairman, in seeing a presentation by them?

Mr. Reed: Mr. Chairman, how much time do we have?

Hon. Mr. Timbrell: How long would that take? About 15 or 20 minutes. If not, I'd like to tell these gentlemen to go home.

Mr. Chairman: This is answering a question.

Interjections.

Mr. Chairman: What about adding the 10 minutes on? Would that be all right?

Hon. Mr. Timbrell: That's fine with me. The question is asked. I would like to answer it.

Mr. Williams: Mr. Chairman, with respect, if a member has asked for this presentation he's entitled to have it, whether or not other members don't like the way it's being presented. We don't like some of the questions we hear either, and some of the answers.

Mr. Chairman: Mr. Johnson has spent 10 minutes of the committee's time asking questions and I think he is entitled to receive an answer.

Interjections.

Mr. Chairman: Are we ready with the slides then?

Dr. Button: I feel a little bit like the reluctant bride.

Hon. Mr. Timbrell: You are also an unfocused reluctant bride.

Dr. Button: Very quickly, this is last year's projection.

As you know, there was a recent National Energy Board hearing on the crude oil supply and demand situation in Canada, the results of which have not been released by the board as yet. That hearing just finished within the past month. I'll point out the differences that were made before the board by the various appearances of industry and government.

Very quickly, this is the projection of the total Canadian demand and at that time it was forecast to grow at about 3.8 per cent and 3.1 per cent with conservation. This line down here is the Canadian demand west of the Ottawa Valley—the Ottawa Valley agreement that was put in place in 1961—and the step up is the additional demand west of the Ottawa Valley, plus 250,000 barrels per day, which is planned to be sent over the Sarnia to Montreal pipeline. That pipeline is now in service.

How have we been meeting that demand in Canada? This is the potential producibility that was forecast in September, 1975, from western Canada, and that producibility is made up of this long-hatched area from the established reserves. That's conventional pro-

duction from the western basin. This area here, called reserve additions, is what is expected to be found in Alberta and Saskatchewan. I'll just skip over the oil sands for a minute and make mention of the very small area at the bottom. This is the liquid petroleum gases that are found in conjunction with natural gas and they are fed into the crude oil stream.

[9:30]

Slightly over a year ago—say 14 months—this projection indicated the Great Canadian Oil Sands plant would be on stream, plus the Syncrude plant, six mining plants typical of the Syncrude plant, and two in situ plants, all of about 125,000 barrels per day, for a total of 10 plants. That's the National Energy Board's projection.

This is a later projection and is the projection that was contained in Energy Strategy for Canada, the one that Ms. Gigantes was making mention of on Tuesday, and in a subsequent article which was a follow-up to the representations that were made to the recent NEB hearing. In other words, it is an update of the projection that I have just presented to you.

I won't go over this established reserve area forecast here because that is identical to the one that we have just seen. It's mainly based on the numbers that were confirmed by the Alberta Energy Resources Conservation Board. Dealing with the forecast for the demand, again this is about eight or nine months later from the National Energy Board projection. They were forecasting that this would grow at approximately three per cent overall. They didn't explicitly take conservation into account. They considered that the higher prices would cause a conservation effect not unlike the projection the NEB had given us, or certainly in that range. The significant difference here is in the projection for the contribution from oil sands. You will recall previously that I'd indicated that the projection 14 months ago was for 10 Syncrude-type plants, eight of the mining type and two of the in situ.

This projection here includes only the Great Canadian Oil Sands plant, the Syncrude plant, one other mining plant of the same size as Syncrude and possibly an additional plant like that or an in situ plant. In other words, they have reduced the 10 plants down to four, and there is some doubt about the fourth one. That's happened in just a very short period of nine or 10 months. They did, however, indicate that they thought that by 1986 they would be

getting 250,000 barrels a day initially from the Mackenzie Delta-Beaufort Sea area. That's the major difference between this projection and the one you have just seen.

To give you a slight overview of what took place at the NEB hearing, in general the NEB hearing tended to reduce the demand somewhat. There were forecasts above and below this projection for demand, but if you aggregate them I think it's not unfair to say that they are slightly reduced. The producibility has obviously been reduced, that is, that producibility from conventional reserves has been reduced. No one, as the minister has already reported to you, is optimistic that there is going to be any commitment to oil sands beyond the Great Canadian plant and the Syncrude plant until possibly we see what happens with the Syncrude plant, which will be in late 1978. This is now down to two plants and this is slightly reduced. Although we have had some reduction in demand, we have had a corresponding reduction in our capability to meet that demand. You are still looking at these kinds of shortfalls directionally over the next decade.

Out of the six slides, Ms. Gigantes, four of them are quite new and haven't been presented before. We did present this one last year. This is the result of the National Energy Board hearing into the natural gas supply and demand. There will likely be a new hearing in the spring of 1977. These data are from April, 1975.

Very briefly, this line that you can't see very well here, going along in that fashion, is Canada's demand—excuse me, this is the total Canadian domestic demand; that's this line here. This is the total Canadian demand including exports. We're exporting slightly under a trillion cubic feet a year.

This line that you see going along in this fashion is deliverability from established areas, mainly Alberta and Saskatchewan and British Columbia. That's that line there. As you can see, there is presently a shortfall below the total demand—that is, Canadian demand plus exports—and that shortfall has pretty well all been met out of the gas that was contracted for by west coast utilities via the West Coast Transmission Company.

While we've seen less optimistic developments occur in the crude oil picture, I would like to report that the converse is so where natural gas is concerned. The finding rate in Alberta looks very positive and we have some indications from TransCanada PipeLines that they're rather confident they

can meet the winter of 1977-78. Their projections indicate that if the load doesn't grow at historic levels but at something less than that—in fact, at very minor levels—they should be able to accommodate markets east of the Alberta-Saskatchewan border for possibly the 1980-81 winter.

This very dark area in here is the contribution that would be obtained if the Mackenzie Valley pipeline came on stream in 1980. I might report to you that date now is, in all likelihood, 1981. That's what they've testified at the NEB.

This cross-hatched area, riding on top of the Mackenzie Valley, is the contribution that could come from the Arctic islands, generally associated more with the Polar Gas project, whereas this gas would be from the Beaufort delta. This would be from the high Arctic islands and, of course, if that occurred in that kind of fashion, we'd be in a very positive gas position.

Mr. Haggerty: For export?

Ms. Gigantes: They can't sell their exports now.

Dr. Button: There's been no commitment, one way or the other, about exporting it. All it shows there is the capability that would be placed over and above the demands.

Mr. Haggerty: These charts have been manufactured to indicate that we have an abundant supply of natural gas and would eventually indicate that the export market is more—this is what happened in 1971, I believe.

Dr. Button: I think that conclusion—

Mr. Haggerty: The energy report at that time was misleading to the Canadian public and it was geared for export more than anything else. Then we found out there was a shortfall and now we're—

Dr. Button: As I've mentioned, that was released in April, 1975, and this following one came out in the spring of 1976. That's the one you're looking at now and this is the companion. This is the natural gas projection resulting from the Energy Strategy for Canada.

To quickly take you through that, the domestic demand is shown here, forecast to grow at a rate of around five per cent, slightly less than that, about 4.3. Riding on top of it is the demand including exports. This natural gas from the established areas, the three western provinces, is practically unchanged from the forecasts that NEB had.

The significant changes that they've shown here are that the Beaufort-Delta gas is projected to come on stream in 1982, a year later than the NEB projection; the Arctic islands gas is projected to come on stream in 1984; and at this point they project that gas from the east coast will come on stream in 1985. This other little wrinkle you see up here results from looping existing lines. So at that point Mackenzie Valley could be on stream, at this point Polar, and at this point a line, hitherto unnamed, from eastern Canada.

The reason you see this rather optimistic projection for natural gas producibility is that the Energy Strategy for Canada attempted to get a Btu balance. In other words, if we're going to be importing approximately \$5 billion worth of oil in 1985, that has got to be paid for; so we would do a Btu swap. That's the scenario that they build in there.

The two sources of energy that would be above our demand would be that of electricity produced from coal and uranium and from natural gas, and we would accommodate that shortfall by substituting electricity on the one hand and the natural gas.

Very quickly, this is the coal situation in terms of the estimated Ontario Hydro coal demand. Mr. Lamb has taken you through that. Very quickly, this is 1976, in which you see—

Ms. Gigantes: Are the slides boring you Mr. Williams?

Mr. Williams: No. I will be right back.

Mr. Makarchuk: You wanted to see the slides, Mr. Williams. Where are you going?

Mr. Williams: I'll be right back.

Mr. Makarchuk: Sure you will.

Mr. Mancini: If you plan to use coal for your boat, Mr. Makarchuk, you'd better pay attention.

Dr. Button: This is the US and Canadian coal—

Mr. Mancini: It's a 60-footer, I believe, isn't it?

Dr. Button: I've got one slide here on uranium. This is Ontario Hydro's demand for uranium, this is the Canadian demand for uranium, and this is the capability that Canada has to meet that demand. This is the contracts that are presently contracted for with uranium suppliers.

Mr. Makarchuk: Mr. Chairman, I've been sort of sitting here waiting and mulling this

over. Basically, my concern is about all these questions that have been brought up, particularly by the members from northern Ontario, both from your party and my party. You seem to dwell very much on the idea of a regulatory agency to be able to control prices; and you say that if we had a regulatory agency, the prices would go up. You used the example of Nova Scotia, but I would like to point out to you that Peter Newman, in his book, *The Canadian Establishment*, talks about Irving, who imported his oil from a company which he owned in the Bahamas, and charged an inflated price. Naturally, the profit in Canada was nil; in fact, it was a loss operation. But he certainly had an opportunity to salt it away in the Bahamas without having to pay taxes.

Basically what worries me about the whole situation is the fact that you're rather apologetic; your ministry is not making the oil companies nervous. In my estimation, the oil companies are the biggest collection of thieves and con men and crooks that we've got going these days and on a very massive scale. They're all interconnected. They know what they're doing. But we don't know. Your ministry hasn't really gone into the details of how they operate, what they charge, what the depreciations are, or how they price their oil, or how they transfer their finances.

[9:45]

If you read other books, if you read other articles, and there have been some investigations in the United States, senatorial committees have been looking into this thing. You would find out that there are large manipulations going on in these things.

We really don't know what it costs; and we really don't know what profits they make; audited statements are meaningless in the situation like this.

Hon. Mr. Timbrell: Why are they meaningless?

Mr. Makarchuk: For the simple reason that if you are a vertically integrated operation from the wellhead to the other end, just exactly how are you going to find out where the money is being made and where the money is being spent?

Hon. Mr. Timbrell: Can I just make a point here?

Mr. Makarchuk: Yes.

Hon. Mr. Timbrell: I mentioned yesterday, I'm not a great lover of companies any more than anybody else, but I just look at the alternatives. I pointed out yesterday that

the combines investigations branch of the federal Department of Consumer and Corporate Affairs has, on a regular basis, gone in and taken the books of the companies. Last year they went into several of them and took the books going back to 1960. If there's collusion, if there's some contravention of The Combines Investigation Act, obviously these are things that have to be laid before a court.

They go in, they take the books. Isbister got access to the books and the material is in the Isbister report. It's kind of late, but I can arrange to have all that tabled so that you can see the material, which was audited by Isbister's auditors; independent audits one company from another, but through his auditors.

Mr. Makarchuk: Yes.

Hon. Mr. Timbrell: What are the alternatives? Is it nationalization which your party advocates?

Mr. Makarchuk: It may be, or it may be some joint ventures. There are possibilities.

What I'm trying to point out to you is that using the federal combines investigation commission as a criterion, to say that they are investigating this thing is like asking the goat to tend the cabbage patch.

You saw their performance on the sugar industry. The only time they ever nailed anybody it would be some little small-time operator, and of course they can pick on him. Have you seen them nail any large corporation yet? And you're going to tell me that there isn't a single large, sort of monopoly or cartel in Canada, which does not have some controls?

Hon. Mr. Timbrell: Do you not think that the charges which were successfully applied against Canadian General Electric and Westinghouse are evidence that—

Mr. Makarchuk: How long ago was that?

Hon. Mr. Timbrell: It was this year.

Ms. Gigantes: They've laid the charges?

Mr. Makarchuk: They've laid the charges, I haven't seen any—

Ms. Gigantes: They laid charges 15 years ago too.

Mr. Makarchuk: They don't face the charges outstanding, they've laid charges—

Hon. Mr. Timbrell: This was a conviction in 1976.

Mr. Makarchuk: I haven't seen it. If so that was one of the aberrations in their smooth flow of ineffectualness.

Mr. di Santo: You said that yourself last year.

Mr. Makarchuk: Using the set of figures we have over here as an example, most of them came from the oil companies; the oil companies were the same group of people who were telling us a few years ago that we had 999 years' worth of energy in the ground for this country. In fact when Tommy Douglas was getting up in the federal House and saying listen, let's start conserving these things, they wrote stupid editorials in the oil weeklies saying this man doesn't know what he is talking about, that by the time we consume our energy we'll be well into solar power and new exotic sources of energy and we'll have these resources buried in our ground forever going to waste.

Hon. Mr. Timbrell: I've already acknowledged that industry—

Mr. Makarchuk: Yes, but at that time that was the gospel truth and nobody questioned them.

Hon. Mr. Timbrell: I don't care whether it was the gospel truth or not. I'm telling you what it is now.

Mr. Makarchuk: I have a feeling that the same attitude persists and exists at this time. In your department, here you sat down and tried to figure out what they charge for depreciation on their refineries, have you really found out exactly what it costs them to produce that gallon of gas? Do you really feel that an audited statement that says okay, we will write off this refinery that was built in 1950, or one that was built in 1948? How many times has that been written off?

Hon. Mr. Timbrell: Have you read the Isbister report?

Mr. Makarchuk: Yes; I've gone through it, not in detail but I've seen the figures and the graphs.

Hon. Mr. Timbrell: Then may I commend to you chapter 2.

Mr. Makarchuk: Yes, but if it pays—

Hon. Mr. Timbrell: Where do you disagree with them?

Mr. Makarchuk: All right. Let's look at it this way: If it pays Texaco to build a new refinery at this time, at present day costs,

and they expect to sell their gasoline at exactly the price that the other refiners are selling, they had their refineries on stream for how many years? They've had them for 20, 30 and 40 years.

Hon. Mr. Timbrell: I think the point there is that the decision thing was taken before the current situation in terms of supply and overcapacity.

Mr. Makarchuk: The decision was not taken that long ago. The oil companies are not unsophisticated, new people who just moved into the operation. The decision to build was taken about five years ago by Texaco and they really haven't started construction on the site until this year. So, obviously, they're prepared to make a profit. They're not in there for charity, which is something I pointed out to you before. Again, we don't know what it's costing those oil companies. We'll look at the figures, and you can cook your figures. Anybody who is in business, particularly the oil companies who have been cooking their figures for years and years, manages to get away with it. This is what worries me about your department.

You talk about policy and everything else. You should be digging into every little thing that they come up with. Currently there's an application which we touched on a little earlier to export natural gas.

Hon. Mr. Timbrell: By whom?

Mr. Makarchuk: By multi-national corporations from Alberta.

Hon. Mr. Timbrell: Who?

Mr. Makarchuk: I'm not sure of the companies but the application has gone in.

Hon. Mr. Timbrell: Can we stop there? Are any of my staff aware of an application in the last month to export natural gas?

Mr. Makarchuk: It certainly was reported in the Globe about a month ago, to export natural gas. Your department should be in there fighting. If you're telling me now that none of your staff is aware of this thing, then I'll have to dig up that article. Obviously, there is something wrong with this department if you're not aware that an application is in existence.

Hon. Mr. Timbrell: With respect, you could be mistaken.

Ms. Gigantes: No.

Mr. Makarchuk: No, I'm not mistaken.

Hon. Mr. Timbrell: Will you send it to me, please?

Mr. Makarchuk: I'll have to dig it up and I'll send it to you. Those are the kinds of things that concern me about the thing. You talk about the northern idea. Have you any figures to say what it costs to transport gasoline or oil by tanker? Possibly I imagine they get it from Sarnia up to those areas. Have you really costed that out?

Hon. Mr. Timbrell: Yes.

Mr. Makarchuk: The charges for transportation are made by the oil companies. They give you a set of figures. It's not done by somebody else. The oil companies can sit there and set their own rates because they are well intergrated and will use their tankers, which probably are registered in Panama or somewhere else. Is there any way that you can control what they charge or what the costs are? Have you got any comparisons? Have your people sat down and said what would be the cost of transporting oil by tanker to Little Current, to Wawa, to Sault Ste. Marie? What are the figures?

Hon. Mr. Timbrell: The figures in the Isbister report were audited by Currie, Coopers and Lybrand.

Mr. Makarchuk: That doesn't mean a darn thing. What they've got is a set of figures.

Hon. Mr. Timbrell: I think what we have here is what a psychologist friend of mine calls unshared intentions. No matter what our commissioner presents, no matter that they were audited by a very, very reputable Canadian accounting house, namely, Currie, Coopers and Lybrand, you're saying it doesn't matter, because you've already decided in your party that the only possible answer can be that you will run the industry.

Mr. Makarchuk: We haven't decided on anything.

Hon. Mr. Timbrell: Yes, you have. It is in your party platform.

Mr. Makarchuk: If your staff if so capable, you sit down right now and tell me. Let's look at it right from the bottom. How much does a tanker cost? What's the depreciation of that tanker? What's the operating costs on the tanker—and so forth? Look at those specific figures and then compare those kinds of figures with what you've got on your audited costs. The auditor will go in there and will look at the books and the books will say

they're depreciating this so much, the tanker costs so much, etc. It could have been resold 17 different times. It could have been charged to various different accounts and so on. This is the comparison. Maybe the figures are right, but at the same time I'd like your department to find out just exactly what is going on in situations like that.

Hon. Mr. Timbrell: It has been suggested that I use the gavel.

Mr. Makarchuk: Obviously there is a high level of mentality over there.

Hon. Mr. Timbrell: What you're asking is to rehash completely the whole Isbister commission.

Mr. Makarchuk: No, I'm not.

Hon. Mr. Timbrell: I know that members of your research office were there every day that material was filed. They've got all the material that was filed with Isbister. If you want, I'll table it again. All of this was gone into at the Isbister commission and audited by Currie, Coopers and Lybrand.

I must say to you that I understand your rhetoric. I understand why you're making this pitch. That is your party policy. It must be nationalized. I've yet to see—

Mr. di Santo: Walter Gordon is saying what we are saying. The Toronto Star says—

Hon. Mr. Timbrell: It is your party policy; that doesn't make it right.

Interjections.

Mr. Chairman: Order, please. Mr. Makarchuk has the floor.

Mr. Makarchuk: What I want to get across here is that basically you're not too reluctant to crawl into bed with these creatures, that's all.

Hon. Mr. Timbrell: Listen, Mr. Makarchuk—

Mr. Makarchuk: And—

Hon. Mr. Timbrell: Hold it. Just hold it one minute.

Mr. Makarchuk: What I want to get across is the fact that—

Hon. Mr. Timbrell: Just hold it one minute! Any time I've taken a position on pricing policies or on freezes, I've yet to see an oil company stand up and say, "Hurray for Timbrell." Quite the opposite: I and my ministry

have come under severe criticism from the industry. That's fine—

Mr. Makarchuk: Well, but—

Hon. Mr. Timbrell: What we are doing in the ministry is acting in the best interests of the people in Ontario, and nationalization is not in their best interest.

Mr. Makarchuk: They were criticizing you all the way to the bank. After all, they know that sometimes they have to play the game with the government, which does these token things. They'll go through the motions, they'll do the mea culpas and the public agony, but in the meantime they'll salt away the stuff somewhere else.

Hon. Mr. Timbrell: Hold it. What is salted away where?

Mr. Makarchuk: I said financially. If you look at the finances of the companies and so on, you know, they're doing quite well.

Hon. Mr. Timbrell: How much of it is leaving the country?

Mr. Makarchuk: As a matter of fact, probably a great deal.

Hon. Mr. Timbrell: How much?

Mr. Makarchuk: I really don't know exactly—

Hon. Mr. Timbrell: No.

Mr. Makarchuk: —but knowing the habits of the multi-nationals, there is probably a great deal leaving the country. A great deal possibly isn't even getting to the country.

Hon. Mr. Timbrell: Considering that your energy researcher is a constituent and neighbour of mine, I would have thought that you would have done a little bit more research and found that most of the money is, in fact, staying in this country.

Mr. Makarchuk: Mr. Minister, what I'm trying to tell you is that I'm not the government and our research staff isn't part of the government. What I'm trying to say is that you are in charge of a ministry that should be fighting tooth and nail to ensure that the consumer in this province is getting a fair deal.

Hon. Mr. Timbrell: And this we're doing.

Mr. Makarchuk: If you're doing that, I'd hate to see you put more energy into it, because your colleague from Algoma-Manitowlin isn't persuaded that you're doing it, and

our member for Algoma certainly isn't persuaded that you're doing it.

Hon. Mr. Timbrell: But you start from the base that somehow government can run a business better than the business can run itself. There's no question that energy in this country, in general, is as regulated and as surveyed as any business in the country. There's no question that they make mistakes. I acknowledge that in the late 1960s and the early 1970s the estimates that were being given to the National Energy Board, the advice being given to the federal government and the advice being taken by the federal government, were wrong. They acknowledge that it's wrong now.

Mr. Makarchuk: I haven't seen anybody get up and say it was wrong.

Hon. Mr. Timbrell: Then you haven't been reading the papers.

Mr. Makarchuk: Have you seen a federal Minister of Energy, Mines and Resources get up and say their figures were wrong at one time?

Hon. Mr. Timbrell: I'm not in the habit of defending federal Liberal ministers but, yes, I do believe that even Mr. Macdonald and Mr. Gillespie have admitted—

Mr. Makarchuk: It must have been sotto voce.

Hon. Mr. Timbrell: —but that more realistic projections are now on the table.

Mr. Makarchuk: Okay. Some of the other points I wish to bring up—

Hon. Mr. Timbrell: Can I just say that we have a basic philosophical chasm between us?

Mr. Makarchuk: There's no doubt about it. That separates us. We don't question that.

Hon. Mr. Timbrell: You think the government—

Mr. Makarchuk: We have no argument on that whatsoever.

Hon. Mr. Timbrell: You think the government can run it better—

Mr. Makarchuk: Let me tell you something—

Hon. Mr. Timbrell: —and I'm telling you that everything that Isbister found—

Mr. Makarchuk: Mr. Minister, the public enterprises in Saskatchewan in the last 10

years have paid something like over \$300 million into the provincial coffers. Obviously, despite your criticism that the public cannot run it, the difference is that the people they have running their public enterprises believe that public enterprises should be run. The people you have running your public enterprises are the kind of people we discussed here this morning in the public accounts committee; they took over Minaki Lodge at about \$1 million, now they're \$5 million in the hole and losing about \$1,000 a day, and they don't know what to do about it. That is the difference, that is the basic difference.

[10:00]

Hon. Mr. Timbrell: How much did the other Saskatchewan Crown corporations lose in the same period?

Mr. Makarchuk: Sure there have been some corporations that didn't come out, that's fine; but in the net result, Mr. Minister, in the last 10 years, they have got a plus of \$300 million.

Mr. Haggerty: They are gouging us.

Interjections.

Mr. Makarchuk: The thing is, Mr. Minister, you don't gouge yourself.

But I want to ask you, is your government considering outside—

Mr. Mancini: Crown corporations are not that personal.

Mrs. Campbell: Oh, come off it.

Mr. Chairman: Order, please.

Mr. Makarchuk: As I said to my friends over there, if you put the Liberals in charge—

Mr. Mancini: Where did you ever see a personal Crown corporation?

Mr. Makarchuk: They believe the purpose of a Crown corporation is to provide aircraft to fly to Saskatoon and places like that, for cabinet ministers. That is about the level of the concern you have. There isn't one single thing that you haven't fouled up.

Hon. Mr. Timbrell: Mr. Chairman, that is not energy.

Mr. Makarchuk: The federal Energy Board, Mr. Minister hasn't got enough energy to get off its backside.

Hon. Mr. Timbrell: Pardon?

Mr. Makarchuk: The federal minister hasn't got enough energy to get off his backside. The national picture in terms of energy is very confusing. There is no direction; and again, this is the reason I feel that you should be more vocal and more persistent.

If I have faith in those characters in Ottawa to be doing what they should be doing, then I wouldn't be sitting here and hammering away at you, but I don't. I don't want to see Ontario being sucked in and Ontario having to suffer for the consequences of what is happening in the federal House in some cases, particularly in areas where perhaps you could do something.

Hon. Mr. Timbrell: Where is Ontario being sucked in?

Mr. Makarchuk: Well, in the sense that the Ontario consumer is paying through the nose for energy right now. In Canada right now we produce more oil than we use.

Hon. Mr. Timbrell: No, no.

Mr. Makarchuk: Oh, yes we do.

Hon. Mr. Timbrell: The charts were just up there. You didn't choose to look at them. Canada is now a net importer of crude oil.

Mr. Makarchuk: Absolutely not, you haven't been watching the charts. What is the consumption in Canada?

Hon. Mr. Timbrell: Hold it. The chart was right there. The National Energy Board report has been printed. We are now net importers of crude oil. Now what is your source? You say that we are not. We are net importers of crude oil.

Mr. Makarchuk: Never. Our consumption is about a million barrels a day. What is our consumption a day?

Hon. Mr. Timbrell: Are you in the same boat as John MacBeth?

Mr. Makarchuk: I am not sure where he is. What is our consumption on a daily basis?

Hon. Mr. Timbrell: I think he is "menopausal."

Mr. Chairman: Order, please, that doesn't go into the record.

Hon. Mr. Timbrell: No, just the hot flashes. Our daily consumption now is what—1.8 million?

Mr. Pinnington: Just under 1.7 million.

Hon. Mr. Timbrell: A day? About 1.6 million or 1.7 million barrels a day.

Mr. Makarchuk: Our production is pretty close to that too as well.

Hon. Mr. Timbrell: Just a minute, I will get you the figures.

Dr. Button: We became importers in the spring of last year.

Hon. Mr. Timbrell: When you balance domestic production, including the portion that goes into export with import—and exports I point out are down by a third of what they were two years ago and they are being phased out until by 1981 or 1982 there will be no exports—at this point we are net importers in this country.

Mr. Makarchuk: Our daily production, as I understand it, is about 1.6 million barrels a day.

Hon. Mr. Timbrell: It is 1.6 million to 1.7 million.

Mr. Makarchuk: Right; and our consumption is about the same.

Mr. Pinnington: We are shy about 60,000 barrels.

Mr. Makarchuk: Okay, when you are dealing with millions, Mr. Minister, you are not going to quibble about 60,000 barrels would you now?

Hon. Mr. Timbrell: That is a day.

Mr. Makarchuk: That is a day, that is exactly what I am saying. When we are discussing 1.7 million or 1.6 million, we are arguing over 60,000 barrels a day, so that is not very far. Agreed, we are moving in a direction where we are becoming exporters, but again—

Interjections.

Hon. Mr. Timbrell: Importers.

Mr. Makarchuk: Or rather importers.

Interjections.

Mr. Makarchuk: But again, Mr. Minister, the point is that somehow I feel that the Canadian consumer—because most of this oil we have right now in Canada, as I said earlier, has really been discovered at a much lower price than what we're paying for it on a per barrel basis.

Hon. Mr. Timbrell: Where do you draw the line?

Mr. Makarchuk: That's the blended prices we were discussing the other day; we don't know where we're drawing the line and we don't know what the costs are.

Hon. Mr. Timbrell: We had drawn the line at April 1, 1974; we had what, about 10 per cent of production as of last spring?

Interjection.

Hon. Mr. Timbrell: Ten per cent of existing production at the time we put in the blended price proposal, was it not about 10 per cent to 15 per cent of the production was from wells and fields brought into production after April 1, 1974?

Ms. Gigantes: Mr. Chairman, I can't hear.

Mr. Pinnington: It was much less than 10 per cent.

Hon. Mr. Timbrell: Was it less than 10? Okay.

Mr. Makarchuk: That were brought into production after 1974?

Hon. Mr. Timbrell: After April 1, 1974.

Mr. Makarchuk: Right. So in other words something like 80 per cent, we'll be generous, of our oil was discovered at a very low price in comparison to the price we charge, what we pay for it.

Hon. Mr. Timbrell: Relative to what it would cost to find it and bring it into production today.

Mr. Makarchuk: It was about \$3 or something. They were able to sell it at about \$3.25 or \$3.48 a barrel and still make a sizable profit on that.

Hon. Mr. Timbrell: Well the royalties—there's no question that the finding cost, the production cost of oil found in the 1950s and 1960s was lower, but then again too the royalties and the federal taxes prior to about 1974 were also significantly lower.

Mr. Makarchuk: Right, but still, as the Energy Strategy for Canada says, the breakdown is that the federal government will receive about 17 per cent of production costs, the provincial government will receive about 43 per cent, and the balance, of course, 40 per cent, will go to the oil companies.

Hon. Mr. Timbrell: No. In March, 1974, the price for a barrel of oil was \$3.80, and out of that the company cash flow was \$2.18. Now what is that as a percentage? We'll say

55 per cent. In 1976, now this will be actually at the end of this year and the beginning of next year when the price of a barrel of oil will be \$9.75, the cash flow to the companies, just taking one example, will be \$3.10. Now that then, represents less than 30 per cent, say 28 per cent.

Mr. Makarchuk: That's right, but if you multiply that by 1.6 million barrels a day, times three something, times 365, that comes out to a pretty healthy sum for the oil companies. That runs into hundreds of millions of dollars.

Hon. Mr. Timbrell: But to run it through properly you then have to look at production costs, how production costs compare.

Mr. Makarchuk: That's right, sure. Which they write off.

Hon. Mr. Timbrell: You also have to look at exploration costs, which have gone up better than 50 per cent.

Mr. Makarchuk: Sure, and then of course there's a federal subsidy on that, that if they explore they're getting sort of a matching federal relaxation on taxes.

Hon. Mr. Timbrell: No, that figure I gave you assumes about 10 per cent induced exploration. All of these things are factored—

Mr. Makarchuk: Just on the basis of exploration, at this time there's no indication that they're exploring more, there's no indication; in fact the evidence indicates anything but.

Hon. Mr. Timbrell: But there is. All you have to do is look at the reports of the Alberta Energy Resources Conservation Board, look at the material—

Mr. Makarchuk: Sure, and what they've done is the Alberta provincial agency, whatever the name of it is, has the rights to the Suffield area, which was a federal reserve—

Hon. Mr. Timbrell: That's the Alberta Energy Company, that's not the Alberta Energy Resources Conservation—

Mr. Makarchuk: Well it's 50-50; it's 50 per cent public and 50—

Hon. Mr. Timbrell: You're mixing apples and oranges, that's not the Alberta Energy Resources Conservation Board—

Mr. Makarchuk: No, I realize that.

Hon. Mr. Timbrell: It's a question of the overall degree of exploration in the province.

Mr. Makarchuk: What I'm trying to tell you is the new discoveries that have been going on, or the new wells that have been brought onstream recently were the wells that were drilled in the Suffield area and most of—

Hon. Mr. Timbrell: No, because there's been no drilling in the Suffield area yet—has there?

Mr. Makarchuk: Oh, absolutely.

Hon. Mr. Timbrell: Has there been some? Okay.

Mr. Makarchuk: I'm glad your officials are a little bit better versed than you are. It's surprising that you're not versed but I am.

Mr. Reed: Versed you may be, but it does not rhyme.

Mr. Haggerty: Versachuk.

Mr. Makarchuk: The point is that the discoveries have been made in that area and it's a new area.

Hon. Mr. Timbrell: There was an article in Oilweek—was it last week or the week before?—about Suffield block exploration, so I guess you'd take that.

Mr. Makarchuk: That's right, as a matter of fact there's "A Hustling, Young Energy Firm Branches Out"—this is in the Toronto Star, November 12, 1976, for your information, Mr. Minister—"The company is owned 50 per cent by the provincial government and 50 per cent by the public shareholders and earned \$6 million, or 40 cents a share, the first nine months of this year. The biggest role in the success story so far has been played by the company's oil and gas rights in the Suffield area, a 600,000-acre block northwest of Medicine Hat."

Hon. Mr. Timbrell: That's the Alberta Energy Company, which is, what, about three years old?

Mr. Makarchuk: That's right. Okay, we settled that.

What is your feeling in terms of similar, public-private ventures? I'm referring to Panarctic—Saskatchewan's involved, Alberta's involved—as a policy matter of your ministry.

Hon. Mr. Timbrell: Are you under the impression that Saskatchewan is involved in Panarctic?

Mr. Makarchuk: No, no, I didn't say they were involved. Saskatchewan is involved in their own provincial private-public venture

and I'm saying Alberta has this thing in this case.

Hon. Mr. Timbrell: And we have the Ontario Energy Corporation.

Mr. Makarchuk: You have the Ontario Energy Corporation which is involved in Syncrude; that's another can of things that could be discussed as to just how valuable the involvement is there. It's just that we do not have the time to go into that. But there are some good articles coming out now on Syncrude as well, sort of pointing out the fact that Imperial Oil will be able to write off \$4 for every \$3 they invest in that company. But just as a matter of policy—

Hon. Mr. Timbrell: Where are those figures from? What's the source?

Mr. Makarchuk: Laxer's book. I suggest, Mr. Minister, you update your referral to the AFL-CIO and so on, and include some of the other articles into your book.

Just as a policy decision, and I'm looking at in terms perhaps of development of the Hudson Bay basin or lower James Bay that Mr. Williams discussed earlier. If there were possibilities—or have you considered some discussions with private companies and so on to see if you could develop any energy in that area?

Hon. Mr. Timbrell: At this point, you see, the Ontario Energy Corporation is up to the limits of its capitalization with the investment in Syncrude and with the investment in the Polar Gas study group, so that until such time as we are extended further moneys for the Energy Corporation, then we don't see any investments right in the immediate future.

Mr. Makarchuk: Suppose that there is some indication—I'm not sure: it's a high risk area—and some firms say okay—and I'm using Panarctic as an example—with provincial involvement there's a possibility that we could develop a field or open up, would your government be prepared to move on that? Would you do that?

Hon. Mr. Timbrell: Yes. From time to time we have had proposals put to us which, if they had looked reasonably attractive, we would have been prepared to go to the government and seek more funds. But the point is I don't think that any venture should start from the base that the government should or would be involved.

Mr. Makarchuk: Yes, but you're dealing with energy. You're dealing with a very

necessary resource for this province. The whole economic health of the province depends on an adequate supply, I don't have to tell you that.

Hon. Mr. Timbrell: That's right.

Mr. Makarchuk: Okay. Surely, this is the field in which some initiative has to be taken. Shall we say suppress your ideological hang-ups—that's the difference between you and us. We're prepared to accept either public or private enterprise, provided it's not bleed enterprise; but in your case you are hung up on one, you should try to swing a little bit more.

[10:15]

Hon. Mr. Timbrell: The facts don't support that point, obviously. The fact that we're in Syncrude, the fact that we're in Polar Gas is surely evidence enough that we're quite prepared to look at joint ventures between government and private enterprise. All I'm saying is that a project has to relate, first of all to the longterm supply requirements of the province of Ontario, and it has to be one in which we see that all other avenues have been exhausted. In other words that government isn't the first place you come for money, for an investment partner.

Mr. Makarchuk: I question that philosophy or that policy, Mr. Minister. And particularly when—

Hon. Mr. Timbrell: All I'm saying is that if the private investors can do it, then they should do it.

Mr. Makarchuk: —particularly when in Ontario you have Ontario Hydro, which is a totally publicly-owned operation which is extremely successful.

Mr. Mancini: At a 30 per cent increase, that's successful.

Mr. Ruston: A higher rate of increase than any other place.

Hon. Mr. Timbrell: No, that's not true, Mr. Ruston.

Mr. Makarchuk: I would suggest to those erudite gentlemen on the other side that they should compare the public Ontario Hydro with the rates charged by private American generating plants across the way.

Mr. Ruston: Many in the United States are less.

Mr. Makarchuk: No they're not.

Mr. Mancini: They certainly are.

Mr. Chairman: Order.

Mr. Makarchuk: They are not.

The other item I wish to touch on is the matter of technology; and again the federal government, in its research and energy, is spending something like \$90 million, I believe, or in that area.

Hon. Mr. Timbrell: It is \$125 million.

Mr. Makarchuk: Then \$90 million of that is really spent in nuclear research, or for nuclear development. Again, what that means is that because we spend that considerable amount of R and D funds on a high-cost power source, we end up that we do not have adequate funding for research and development to provide other means of energy.

Hon. Mr. Timbrell: I think, you know Mr. Chairman, if we were sitting here four or five years ago, the member would be urging that more be put into nuclear. In fact, if you look at the 1975 statement of NDP policy it states very clearly that more should go into nuclear energy.

There has been a lot going into it, it's quite true, because relative to other available sources of electrical power, next to hydraulic sites that are in place now, it is the least expensive kind of power to deliver into the system. Because of significant increases in the prices of fossil fuels over the last few years, there is more and more interest now in such things as solar heating, wind energy and so forth, and perhaps more slowly than any of us would like, more and more funds are being made available for research into those forms of energy. But the point is, you put the bulk of your money, if you've got to apportion it in some way, you put the lion's share into the type of technology which will give you the best return in terms of delivering power at the most reasonable cost in the shorter time frame.

Mr. Makarchuk: That's fine; I think what you're saying is that when you're desperate you'll take anything.

Hon. Mr. Timbrell: No, that's not what I'm saying.

Mr. Makarchuk: That's really what it boils down to. Sure we have to take on nuclear energy when you have no other sources.

Hon. Mr. Timbrell: There are other sources. Now let's be—there are other sources.

Mr. Makarchuk: All right, what I'm trying to tell you is, let us—

Hon. Mr. Timbrell: We would burn lots of coal. The capital costs of the plants would be lower than the capital cost of a nuclear plant, but in the long run with the operating costs, the cost would be much higher.

Mr. Makarchuk: Yes, but the point is we really do not know, because we haven't looked at it in terms—okay, \$100 million investment in Syncrude, if that was spent on research and development, what would have come out. Maybe it was a wise decision, maybe it wasn't, but the point is that right now we should, or your ministry should, be influencing the federal government to move out of the one area involvement. Let's try to get out into some other areas and let's see what we can do.

Hon. Mr. Timbrell: This is exactly what I was saying earlier. I mean, if you have got a problem with part of your body, you need something to keep that part functioning while you do research on something else to help another part of your body. That's where the bulk of your attention is going to go. Hopefully, you have also got the money that you can put into research and development for the other part which isn't as immediate a concern.

In this province we have a doubling of electricity demand every decade. We hope to get that down—it's our goal to get that down—to the point where that doubling would be perhaps every 14, 15 or 16 years, but it does double—

Mr. Makarchuk: Well, what are you doing?

Hon. Mr. Timbrell: Pardon me—and we know that the lead time for a generating station is now 12 to 14 years. When you are faced with those facts, you have got to be putting the bulk of your research and development money into a source which you know can meet that demand six, eight, 10 or 12 years down the road. You have got to be putting more money, preferably new money—not just stripping away from the sources which will provide you energy in the immediate term, by which I mean a decade or a decade and a half—putting more money into research for sources of energy which will supply you with energy much farther down the road. You can't ignore your immediate needs.

Mr. Makarchuk: At the same time what you are finding out right now is that you are utilizing something like 46 per cent of your existing energy to produce the energy that is going to come up on stream.

Hon. Mr. Timbrell: Where is that from?

Mr. Makarchuk: That's also from the research papers I want to present—

Mr. Reed: A point of order, Mr. Chairman: The clock is now at 10:20 and the minister had undertaken to provide some answers to a question that I had asked before supper. I don't know what the proper procedure is in this case, but I am anxious that this matter should be aired prior to the end of the allotted time.

Hon. Mr. Timbrell: Mr. Chairman, I undertook to try to get the gentleman from Hydro here tonight and we weren't able to get him. He had gone out. The question with regard to Bruce A is on the table, in Hansard, and I will certainly take that as notice to get back to the member just as soon as possible.

Mr. Reed: Mr. Chairman, may I take the liberty of asking the question, would the minister be prepared to table a copy of the report on this problem?

Hon. Mr. Timbrell: I don't know if there is a report, but I will get you whatever information is available.

Mr. Reed: I would understand that a delay of this magnitude would necessitate a report between the people at Bruce and the Hydro senior people.

Hon. Mr. Timbrell: I will get you a report. I don't know that there is a report as such—I don't know what kind of a report you are referring to—

Mr. Reed: Would there not be a report?

Hon. Mr. Timbrell: I will get you a report on the status and the problem that may or may not exist there right now. The 50 per cent rating, as I indicated earlier, is not unusual; in fact, it's quite ordinary. They just won't license a new unit for a full 100 per cent right off the bat. As Dr. Finlay mentioned, for instance, it was something like nine months before Pickering went to 100 per cent. But I will get you a report.

Mr. Reed: Thank you.

Mr. Chairman: Mr. Newman?

Mr. B. Newman: Thank you, Mr. Chairman. I have a few items that I would like to raise, since we have only got approximately eight minutes. At other times, Mr. Chairman, if your committee sits again, I would like you to try to allocate the time equally among the three parties so that—

Mr. Chairman: I think it has been pretty well divided.

Hon. Mr. Timbrell: Can I make a suggestion in that regard? It will just take a minute. If I am the Minister of Energy next year, I would undertake in one way or another to provide some kind of briefing sessions prior to estimates which wouldn't take up estimates time.

Mr. Haggerty: Or give us additional information.

Hon. Mr. Timbrell: We could go through such things as supply-demand and a variety of things that wouldn't take up the time of the estimates committee but which would better prepare members and perhaps answer a lot of questions.

Mr. B. Newman: I think the suggestion is good, because we probably wouldn't have to waste the time of the committee asking questions that you would provide us information for in advance.

Mr. Chairman: Mr. Newman, in answer to your question, Mr. Gaunt started at 3:20 today and he had until 4 o'clock; Mr. Miller had from 4 o'clock to 4:20; Mr. Lane had from 4:20 to 4:30; Mr. Reed had from 4:50 to 5:30, Mr. Williams had from 5:40 to 6 and from 8:10 to 8:30; Mr. Wildman had from 8:30 to 9:15; Mr. Johnson had from 9:15 to 9:40, and Mr. Makarchuk was from 9:45 to 10:20. So I think the time has been pretty evenly divided between the two opposition parties.

Mr. B. Newman: I would suggest that you do it right from the beginning of a committee, Mr. Chairman, if a committee sits again.

Mr. Chairman: I think the other times were pretty evenly divided as well.

Mr. B. Newman: Thank you, Mr. Chairman. I understand that you would be fair. You are not the type of a fellow not to be fair.

The other day we spoke about the Clark Keith generating station. I want to ask the minister what type of an agreement we now have with Detroit Edison as far as the export of energy is concerned. Apparently energy went both ways—from Windsor over to Detroit and from Detroit back to Windsor. Now that Clark Keith has been mothballed, what has happened to that agreement?

Hon. Mr. Timbrell: The agreement is still there regarding the connection between On-

tario and the northeastern power pool, where-by we exchange power sort of on demand.

Mr. B. Newman: But you don't use Clark Keith for funnelling the power into Ontario. What do you use, Lambton?

Hon. Mr. Timbrell: No. There is a line across to Detroit that is still used.

Mr. B. Newman: Would it come into the Clark Keith plant and be distributed from there? If it is mothballed, how could it do that?

Hon. Mr. Timbrell: There is an international connection across the St. Clair River, I guess, and the power is wheeled back and forth across that line. Am I correct? Just say yes or no. We're short on time. Thank you.

Mr. B. Newman: Is that through Detroit or is it through Sarnia?

Dr. Button: There are four connections: one at Windsor, one at Sarnia, one at St. Catharines and one near Kingston.

Mr. B. Newman: All right. Let's take the Windsor and Sarnia ones. Does the Windsor one close up as a result of Clark Keith being mothballed?

Dr. Button: No.

Mr. B. Newman: It still stays open?

Dr. Button: That's right.

Mr. B. Newman: In other words, if there are any power interruptions or failures in the transmission lines as a result of ice storms at any time of the year, we will still be able to receive power in the Windsor system through the Detroit facilities if there is sufficient power over there to provide us with that energy?

Dr. Button: That is correct.

Mr. B. Newman: That answers one question I wanted to ask. The other question relates to the price of gasoline. One of the things I would like to say, by the way, is that I filled up my tank with gas last Friday when I came home. I thought I was getting a bargain at 75.9 cents in my community, but when I drive around the corner it was selling for 72.9 cents. There's a 10-cent spread in the city between 72.9 cents and what it is normally selling for at stations, which is 82.9 cents. You can see there is something going on that really doesn't make sense. We can talk about competition and so on, but there is something in there that leads

the public to believe the worst concerning the gasoline producers.

Hon. Mr. Timbrell: What kind of a station was it where you got this?

Mr. B. Newman: A gas station!

Hon. Mr. Timbrell: Was it an independent station?

Mr. B. Newman: It really doesn't matter whether it's independent or not.

Hon. Mr. Timbrell: But it does; it does matter whether it's independent—

Mr. B. Newman: I would think that there are special prices for certain stations in the community. The tank wagon price varies. It is different for an independent than it is for—

Hon. Mr. Timbrell: It will vary on the basis of volume. It will vary between an independent and a branded station, because right off the bat the independent station is not paying for the advertising, the credit services and a number of other services of a branded oil company.

Mr. B. Newman: I'm only going to have another minute or so, Mr. Chairman, and I want to raise a few other items. One is, why don't you require octane ratings to be posted on gas pumps? How do we know whether we are buying a high-test gas when we pay for a high-test gas if the octane rating isn't posted on the pump? It is posted in the United States. Why isn't it posted in Ontario?

Hon. Mr. Timbrell: I don't know.

Mr. B. Newman: Don't you think you should perhaps look into that and, if there is some merit in it, require that to be done? We might be buying substandard gas at a standard or even at a high-test price. Does the consumer know that he is being shafted or not? He doesn't.

Hon. Mr. Timbrell: I'll confirm this, but I believe that is looked after by the Ministry of Consumer and Commercial Relations in terms of standards that are applied at the point of manufacture. It is also covered by the federal consumer and provincial protection legislation.

Mr. B. Newman: But if the octane rating was posted on the pump, you'd know that you were getting gasoline rated at 92 octanes or whatever out of that pump.

Hon. Mr. Timbrell: That doesn't solve the problem you just outlined, where an un-

scrupulous dealer might sell low-test from a high-test pump at a high-test price. If he posts the octane rating, that is still not going to—

Mr. B. Newman: I know that, but at least you've got a good cause for complaint if he is selling you a low-test gas when it's a high-test pump.

Hon. Mr. Timbrell: You've got just as solid grounds for complaint and action—

Mr. B. Newman: Yes, but there is nothing whereby an inspector can go in there to get a sample of that gas and find out that it is not at the rating that it should be. If you posted the octane rating on the pump, as they do in the United States, I think you would have one type of a check that you could follow through.

Hon. Mr. Timbrell: There is no more protection there than—

Mr. B. Newman: I've got other questions. I've got radiation questions which I will raise in the House in the budget debate. But I want to ask the minister why no-lead gasoline is more expensive than standard gasoline.

Mr. Haggerty: The pollution fighter has to pay for it, I guess.

Hon. Mr. Timbrell: It's because there is an additional process which is gone through in the production of no-lead gasoline.

Mr. B. Newman: All right. A process such as what?

Hon. Mr. Timbrell: You want the technical terms? Mr. Pinnington, do you want to give him the technical terms?

Mr. Haggerty: They put it in and take it out.

Mr. B. Newman: That's all they are doing.

Mr. Pinnington: In order to maintain the octane number that you were referring to, the no-lead variety of gasoline requires that the manufacturing process add what is normally referred to as platformate or reformed ma-

terial, high in aromatics, which gives you the higher octane rating.

Mr. Haggerty: And the terrible smell.

Mr. Pinnington: The cost of producing that exceeds the cost of the lead that would normally be used in that blend. As a result, the cost of manufacture of unleaded gasoline is higher at the refinery. Also, because of the new tankage, pumps, lines, etc., required, there are additional increments of cost in the distribution system.

Mr. B. Newman: So the lead-free or no-lead gas is originally leaded gas and the lead is removed from it. It is actually a second process or a process that perhaps is not needed but is used in an attempt to increase the price.

Mr. Pinnington: The basic formula of the basic blend is such that when you take the lead out, you must put something back in to give you the octane.

Hon. Mr. Timbrell: You've got to get the lead out.

Vote 1804 agreed to.

Mr. Chairman: This concludes the estimates of the Ministry of Energy.

Hon. Mr. Timbrell: Mr. Chairman, before you adjourn, there were a number of things raised by Ms. Gigantes yesterday. I would like to table a number of documents relating to questions on the Sarnia to Montreal pipeline, Polar Gas, uranium supply and requirements, "watts from waste," the status of coal gasification, prospects for coal—and a couple were tabled earlier.

I would appreciate it if the hon. member would look these over and indicate what additional information she requires so that we don't sort of reinvent the wheel. Otherwise, it could be a lot of unnecessary work on the part of my staff. After she looks at that, she could ask me what else she wants and I'll be glad to get it for her.

Ms. Gigantes: Thank you.

The committee adjourned at 10:33 p.m.

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Ontario

Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
INDUSTRY AND TOURISM

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Friday, November 19, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

FRIDAY, NOVEMBER 19, 1976

The committee met at 11:20 a.m.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM

Mr. Vice-Chairman: I see a quorum, so we may as well start. I think we should settle the time element. We sit until 1 o'clock this afternoon, on Monday from 3 to 6 and on Tuesday from 3 to 6 and 8 to 10:30. We finish all votes in Industry and Tourism at 10:30 Tuesday evening. Is that understood?

Mr. Angus: I'd just like to ask a question. I'm aware that the minister is unavailable Monday and Tuesday mornings because we had discussed that previously. If the committee should decide it would like to sit on Monday evening, would the minister be available?

Hon. Mr. Bennett: No, I would not.

Mr. Angus: Then that settles that matter.

Mr. Eakins: There's no sitting of the House on Monday evening.

Hon. Mr. Bennett: I have a long-standing engagement with the hotel industry of Ontario.

Mr. Eakins: That leaves Monday afternoon and Tuesday afternoon and evening.

Mr. Vice-Chairman: Yes. If we keep the questions a little shorter, have a few less statements and a few more questions, maybe we can get through in time.

Mr. Eakins: Just before starting, will this be on a rotation basis, which I think is fair? Will each question be on a rotation basis between each party?

Mr. Vice-Chairman: We'll try to do that unless we find there isn't a member from another party who wants to speak.

Mr. Eakins: Right. But if there is, it will be on a rotation basis?

Mr. Vice-Chairman: Yes. We'll lead off with the minister, then the NDP critic, then

the Liberal critic and then the minister can reply.

Hon. Mr. Bennett: Before I go into details of the Ministry of Industry and Tourism estimates, I would be delighted to take this opportunity to introduce to the committee senior staff members of my ministry, after which I'll touch on some of the highlights of the past year of the ministry.

First of all, I'd like to introduce to the committee members the new deputy minister, Mr. James Fleck. Mr. Fleck not only serves as deputy minister for Industry and Tourism, but also is serving as chairman of the anti-inflation board which has a direct relationship to the industrial development of the province. Secondly, we have a gentleman who's been with the ministry for some years, Mr. Peter York, assistant deputy minister.

Under vote 2101, central office, Mr. Fleck will be our adviser and assistant for the minister. Under vote 2102, industry, Mr. Mel Garland will be with us. At the same time, Mr. Bill Stadelman from the Ontario Research Foundation will be assisting in answering some of the questions placed to us.

In the area of 2103, which is trade, Mr. Lloyd Wood will assist us in the questioning; under 2104 which is tourism, Mr. Tom Gibson and Fred Boyer; under 2105, which is known as operations of the ministry; Mr. Ross Radford; vote 2106, communications, Mr. Campbell McDonald; and vote 2107, the administration of the ministry, Bill Ritchie.

Under vote 2108, Ontario Place, it will be John Maxwell, the new general manager of that particular operation. I don't think he is with us this morning. Under vote 2109, which is the Ontario Development Corporation, we will have the chairman, Mr. Jim Joyce.

The 1976-77 total allocation of the ministry represents a decrease of eight per cent from 1975-76, a total of \$111,664,000 as opposed to the 1975-76 figure of \$120,973,000. The net decrease of \$9,309,000 represents reductions in six of the ministry's nine

programmes with offsetting increases in the remaining three programmes of the industry.

The most significant decrease occurred in the development corporations. Economic conditions during the past year generally were such that Ontario's secondary industries held back on innovations and expansions. When I touch on that, I might say it was not only prevalent in Ontario, but that same situation seemed to exist pretty well throughout North America.

These conditions, coupled with the higher interest rates and the reduction of the maximum amount of loans available to the individual borrowers, resulted in decline in the demand for the development corporations' loans. You'll recall we made an adjustment which was announced, bringing loans from what was a potential of \$1 million down to half a million dollars and that the interest rates through the period of the year have been adjusted on a quarterly basis, two per cent less for tourism loans and on the prime rate for the Ontario Development Corporation's other loans, except in the field of industrial parks development.

An increase was provided in the tourism development programme where additional funds were allocated mainly to tourism capital projects. Also, the ministry reduced staff by 26 people, or 2.9 per cent, to a total of 867 in 1976-77, compared with 893 in 1975-76. Since the introduction this year of the municipal industrial parks programme, applications have been received from nine municipalities requesting a total of \$3,740,450 in loans to acquire or service a total of 437 acres.

As of November 1, three applications have been approved for processing by the Ontario Development Corporation. I trust the members of the committee will recall that the legislation gave the responsibility for the review of applications by municipalities ultimately to the development corporation. There's also a review done by our ministry and by an interministerial committee as well. These applications are from Perth, Sault Ste. Marie and Kingston for a total of 76.1 acres and the loans of \$439,500.

Four applications are pending resolution—of annexation applications, and official plan amendments and sewage improvements. I might say that the three that have been approved are now before the Ontario Municipal Board for their final approval of the loan position.

The ministry's energy bus has made 276 visits across the province identifying potential savings of some \$16.8 million, or 19.3 per

cent of the total energy consumed by the plants visited. Energy management seminars have been held in Ottawa and Brockville and several more are planned.

To help combat a deterioration of productivity and product unit costs, we are continuing to support small- and medium-sized secondary manufacturing companies with industrial engineering assistance. During the year, we expect at least 240 companies will be provided with this service, with an anticipated 10 per cent productivity improvement.

Productivity seminars have been held with overwhelming response in Toronto and Kitchener, and the seventh manufacturing opportunities show in May of this year attracted more than 7,000 business people who viewed displays set up by 252 exhibitors and more than 100 inventors. It is estimated the show generated at least \$72 million of business for Ontario's secondary manufacturers. This show is held about every three or four years in the province. Some have been asking me why we do not do it more often, more like an annual basis. Obviously there are new products coming on the market, but to hold it on an annual basis would be far too common and too often to find the number of items you need to create and generate the interest in the manufacturing community.

I might speak personally of this show. I think it has added greatly to the understanding of businessmen, both from a buying and a selling point of view. It's one of the few shows that you can go to and be an exhibitor and both be a buyer and a seller. I think it is certainly of benefit to the province.

The service industry branch has held 24 financial planning workshops for small businesses across Ontario, providing management accounting information to at least 1,100 participants.

[11:30]

Presentation of the business improvement area programme has been made to more than 100 retail associations in southern Ontario. I am sure you know the background of that programme, which has to do with improving and upgrading centres of commercial communities, or business communities.

A special retail management programme has been implemented in Kirkland Lake, Pembroke, Timmins and Dryden, with 120 Ontario retailers and service companies participating. Five industrial linkage studies have been carried out in Orillia, Kingston, Sault Ste. Marie, Thunder Bay and Amprior to develop research information on the relationship between the manufacturing and service industries in these communities.

In a programme to stimulate the feature and television film industry in Ontario, the branch has conducted 19 feature producers over the province as part of our film location service. Four features have either been produced or are currently in production. Film sales missions to Cannes, London and the Far East have resulted in more than \$1.25 million in sales for independent film producers and distributors in Ontario. In addition, the branch is completing a film sector analysis and has carried out a sector study on the development and direction of the record industry in Ontario.

Before I leave the film industry, may I say it is one that has come under some criticism in recent days and it is certainly not the easiest area of industrial responsibility to try to get a handle on. I think basically the sales missions that we have sent out, while easy to criticize, will ultimately produce a return in employment and sales, including *The Man Who Skied Down Everest* which will be most rewarding to the people in this province.

The industrial development branch provided 173 consultations to business people wishing to locate or expand in Ontario. These consultations related primarily to doing business in Ontario, The Foreign Investment Review Act, and taxes.

During 1976, the ministry will have conducted 35 trade missions involving 50 Ontario companies. These missions visited 42 countries and reported estimated first-year sales of \$11,773,250. At the end of their sales missions they are asked to indicate what their potential has been and we carry an ongoing situation with them in reporting every six months for a two-year period. The figures we are quoting are basically those the industries have reported to us.

Through our incoming buyers' and agents' programme, 34 foreign businessmen were brought to Ontario from 24 countries and held business meetings with 257 Ontario manufacturers. The ministry participated in three international trade fairs in the United Kingdom and Germany. The 24 Ontario companies involved estimated sales for the first year of \$2,106,500. It is one of the areas we are looking at participating in even to a greater extent in the coming years. The cost of sending people into countries is extremely high and getting higher, but it would appear from the advice given to us from the federal agency, by business and by our own foreign field office operations, that we should be looking much more seriously at partici-

pating in a great number of trade fairs in other countries of the world.

Seventeen trade delegations from 10 countries were hosted by the ministry, resulting in more than 600 Ontario companies obtaining meaningful contacts with them. Three international business seminars, aimed at educating Ontario manufacturers on doing business in various world markets, were attended by 222 Ontario companies. Through our capital projects activities we currently have companies involved in investigating projects in South America, the Middle East, middle Africa and Southeast Asia.

A series of programmes has been developed by the domestic marketing branch to assist Ontario manufacturers to compete across Canada against imports of fully manufactured goods. This is being accomplished by locating and helping more than 1,600 agents and distributors in Canada find locally-made products for sale in their territory. If you will recall in the estimates of the last year, I indicated this is one of the areas in which we were becoming much more active, trying to find markets for Ontario-made goods in Canada, rather than exclusively applying our talents to foreign markets. We are co-ordinating a programme sponsored by the Purchasing Management Association of Canada to identify goods and services outside Canada and then recommend and help them locate a new Canadian source of supply. Many millions of dollars of new business have already resulted from this particular programme.

A recent seminar, attended by more than 200 business people, was held on trading with the western provinces of Canada. This was an effort which we believe was well represented by the four provinces and the business community felt that the opportunities afforded in discussing the sales potential of their products was excellent. We shall, later on this year, be holding a seminar conference to review the possibilities of further trade opportunities and business opportunities with eastern Canada, and I might add that will include the province of Quebec.

It is estimated that tourism this year will contribute some \$2.8 billion to the provincial economy. That is not the real growth figure in that industry, but approximately 6.5 per cent to eight per cent of the gross provincial product is accounted for there. This year tourism in Ontario will earn approximately \$1 billion from US and overseas visitors and will generate between \$330 million and \$410 million in provincial tax revenue.

The percentage increase of overseas travellers has increased considerably over the last three years and we have had a general increase in European and Southeast Asian travellers of something better than 14 per cent per year. I would think it likely holds one of the best potentials for us and even though they are a small percentage of the tourism package in Ontario their percentage of dollars spent in tourism is substantially more than they represent of the percentage of people coming to the province.

Some 165,000 jobs in Ontario have been generated by tourism expenditures. Tourism accounts for a portion of the earnings of more than 500,000 persons employed in the broader merchandising and service areas in this province. About 47,000 private businesses are directly or indirectly dependent on tourism spending, accounting for more than eight per cent of all business enterprises in our province.

The 15 offices which Ontario operates in strategic centres around the world are engaged in industrial, tourism and trade development activities. I might say while I am at this point in the trade offices, it is one of the areas where we are doing a very in-depth review as to their effectiveness and their efficiency and how we can associate them in a much closer way with the federal operations around the world. I now have Mr. Jamieson sitting as the Minister of External Affairs, and while he was the Minister of Trade and Development, he suggested we should have Ontario representatives in the federal government operation in world markets. Mr. MacEachen did not agree. Mr. Jamieson supported me very strongly and I now am glad to see he is the Minister of External Affairs and Mr. Chretien, who now agrees with the same situation as Mr. Jamieson did earlier, is the new Minister of Industry, Trade and Commerce, and that we might be able to have greater representation at a lesser cost by putting people into the foreign offices in the various markets that we think are important to Ontario.

Last year, more than 3,900 business people approached our offices abroad with specific requests or visited directly—either individually or as participants in ministry manufacturing-abroad missions—product prospecting missions, sales missions, technology development missions, travel trade missions, and as exhibitors at the international trade fairs. The marketing, industrial and tourism development information and assistance given by our offices, resulted in more than 18,000 appointments for Ontario business people with foreign industrialists, selected

buyers and distributors and with tourism wholesalers.

The commissions relating to tourism in the foreign markets produced for us a very valuable insight and I would hope that this coming year we will again be able to expand the tourism trade missions into more markets than we have touched previously. We have been into the European market twice and the Japanese markets once. We think there is still a great potential in the Southeast Asian market and we shall cover it with even greater care.

The 21 offices and nine travel information centres of the operations division in Ontario are the prime and continuing contact for the business community, municipalities and area associations with this ministry. With activities that range from promotion of industrial developments to liaison with government programmes, the industrial development consultants made 20,000 contacts with Ontario industrial concerns and the tourism development consultants contacted and advised some 15,000 establishments on the terms of The Tourism Act and The Hotel Fire Safety Act.

Travel information centres, located at border points of entry and during the summer in centres located along Highway 401, advised 845,000 parties of travellers and, as a result, talked some 2.5 million people into staying longer in and visiting more areas of the province.

While I am on that particular point, a comment that is often made to me is, why do we not have more travel information centres throughout Ontario operated by this ministry? One of the reasons very clearly is that the more money we spend on information in-province, the less we have to spend on information being disseminated in the United States and places beyond the borders of the province of Ontario.

When we get into a cost-sharing programme with the travel associations across Ontario, the extra financing given to them was so that they could decide locally how they would like to break it up and provide for some information centres operated by their own association or chambers of commerce.

Selective placement services provides a manpower advisory and assistance programme for Ontario employers which is complementary to other ministry activities and supplementary to those provided by Canada Manpower and Immigration.

During 1975, 1,476 employers requested assistance, resulting in 57 recruiting over-

seas. Advertising expenditures amounted to \$91,000 and 4,897 replies were received. A total of 1,566 applicants were interviewed, resulting in 1,082 job offers made and accepted.

This is a programme where we have worked very closely, particularly in London, England, with the Canadian government's placement officers, and I think the results we have been able to produce have been most rewarding. I might say that if we are looking at the placement officers' services, only people who cannot qualify on a local basis are interviewed and brought to Canada. It's a requirement of Manpower and Immigration and of my ministry, that if there is a Canadian—and I didn't say an Ontarian, I said a Canadian—who can qualify for the position, he would be selected over a foreign individual. The job of selective service has been very rewarding and, I think, has helped a number of industries out of some very major problems in the last number of years.

The next programme, which is the university student counselling to small business programme, is intended to provide managerial assistance to proprietors of small businesses who are unable to afford professional consultants. Twelve universities throughout Ontario employed 124 business administration students during the spring and summer of 1976 with a total of 733 assignments completed.

This is a programme, I might add, that I personally believe has contributed substantially to the business community. There is nothing more rewarding than when you go into other parts of the province, and you have individual business people who come forward and tell you that if it had not been for the small business programme, and the assistance afforded by those students, that they would have long ago been out of business. They were able to correct some of their bad habits and business practices and were able to bring them into a profitable position.

There are only 12 universities that participate in the programme; they are the ones that have business management or administration courses. They are the only ones we really can associate the programme with.

I guess we should give some degree of credit to the Imperial Oil company regarding this programme, because they put up the initial money four or five years ago to bring the programme into being; the provincial government has undertaken it ever since, with a total expenditure of something better than \$400,000.

During the past fiscal year, the development corporations approved a total of 246 loans and guarantees for \$27.4 million. Highlighting the financial assistance have been the loans under the tourist industry programme and the Ontario business incentive programme, which together received a total of \$16.2 million. Demand for loans under the export support programme continued very strong.

During the year the corporations achieved a prime objective, which is to encourage increased economic growth in the northern and eastern parts of our province. These areas, which represent 25 per cent of the province's total population, received 63 per cent of all the financial assistance provided by the corporations.

The corporations have again played an important role in the area of job creation and retention, with a total of 3,906 direct new jobs being established as a result of their activities in the past year.

[11:45]

While I'm on the corporations, I might say one of the areas that we are becoming more and more involved in, and where more and more demands are being made across the province, is to assist in the repatriation to Canadian ownership of subsidiary plants held by foreign interests. As time marches along, I think we are going to have to find an even much more effective programme within the financing of the province of Ontario that will afford Ontarians and Canadians the opportunity of buying back assets from other than Canadian-owned companies. In no way am I trying to imply that we should be trying to curtail foreign investment, but when the opportunity does present itself for Ontarians, such as employee groups, to buy out certain manufacturing operations, then I think there has to be some type of special government assistance programme. Overall, the financing has been a very valuable tool, as I have already said, for eastern and northern Ontario.

This past season Ontario Place hosted just under three million visitors, an attendance that compares favourably with other like facilities in North America. Consistently poor summer weather, particularly on weekends—there were nine straight weekends when we had rain and I can tell you, as a person who has had some experience in the concession business, that's killing them—undoubtedly helped to keep the attendance down and didn't allow us to achieve what we thought would be a record year as far as attendance is concerned.

Less than half the visitors came from the Metro Toronto area and more than a half a million came from outside the province, thereby making a substantial contribution to the tourist industry of Ontario. Ontario Place again provided high-quality entertainment for its visitors, opportunities for a great many Ontario residents to exhibit their talents, and summer employment for about 400 youths of our province. All of this was done at less cost than was the case in the 1975-76 fiscal year. The estimates before you are almost \$400,000 less than for the previous year.

Ontario Place, while it costs the taxpayers a number of dollars to subsidize its operation, in my opinion is still a good tourist attraction and a good publicity opportunity for the province of Ontario. I am pleased with the number of companies that have used it in their promotion and advertising programmes, both nationally and internationally, and I take this opportunity to say that it affords Ontario a place where visitors from outside our province, and indeed those from within the province, an opportunity of seeing more of Ontario than just the area they happen to live in. We hope—and I say this particularly for those who live north of Superior—that it does develop an interest and a desire for Ontarians and others to travel into that part of our province.

In terms of the research and development work that the Ontario Research Foundation undertook for industry and government, last year was most productive. In addition to the performance grants that it received from the ministry of approximately \$2.5 million, its income from professional services exceeded \$5.7 million and close to 75 per cent of this came from Canadian industrial sources. This industrial income of \$4.2 million represented an increase of 38 per cent over the previous year and reflects the services provided to more than 1,250 firms in almost all sectors of industry in Canada. I think it is notable that we look at the word "Canada." They did not restrict, nor have they ever restricted, their efforts strictly to people within the province of Ontario.

Among the technical highlights of the year was completion and commissioning of a prototype sewage treatment plant of a new design on behalf of Central Mortgage and Housing Corporation; the successful field trial of a waste water system for shipboard use in the Great Lakes; the design and construction of a highly automated instrument for hospital use in the measurement of blood sedimentation rates; and the application of powder metallurgy techniques to the pro-

duction of tool parts. I'm sure if Mr. Stadelman were here, he would also tell you about —Mr. Stadelman is here now, thank you—the new development of some of the joints made for the human body. In addition, there was the qualification testing of bogie components for the new subway cars for the Montreal Métro system; I suppose that is likely to be related to some of the Thunder Bay production systems.

Investment missions: Following a decline of overseas investment in Canada, earlier this year it was decided to meet European investors and to try to bring to a conclusion their misunderstandings about current federal and provincial legislation dealing with international investment. More specifically, it was an opportunity for the Premier (Mr. Davis) and myself and staff members, who represented this province extremely well in presenting exactly what we were prepared to do for new foreign investment and further explanations of provincial and federal legislation.

Our seminars in Vienna, Zurich, Frankfurt and London attracted about 500 business people while the Premier and I addressed audiences totalling more than 800. The response from our mission has been most encouraging. As a follow-up, my ministry is considering bringing to Ontario early next year some of the key people we met on the mission. I might say at this point we have had a number of people whom we dealt with in the European community visiting with my ministry and other areas of the government. While I don't want to be over-optimistic, I think the views up until at least Monday of this week have been rather promising. I hope as a result of some of the events of Monday that we will not see for a long period of time some concern for foreign investment in Canada.

In Germany I accompanied a ministry mission of auto parts manufacturers to the Volkswagen company in Wolfsburg, and we were assured that at some future date that company would seriously consider coming to Canada for a location on an assembly plant operation. I said it was my intention to convince them that Ontario was the ideal location for such an expansion. I have no doubts that many of you read the results in the newspapers as to the discussions that professor Thomee and I and others in the Volkswagen operation had during the European mission.

I am convinced that the doctor and professor and others related to Volkswagen fully understand that Ontario likely affords them the greatest opportunity in penetrating cer-

tain parts of the US and Canadian markets with their products. So that there is no misunderstanding, Volkswagen has no intention of coming to Canada immediately because it is trying to put into operation successfully its new plant in New Stanton, Pennsylvania. They anticipate that the first cars will roll off that plant sometime in about late 1977 or early 1978. Until they have a full feeling for whether the plant is productive, economically run and market potential agreed, they will not be extending their investments further in the North American continent. But Ontario and Canada would likely be their second step in investing in a plant location in the future, if it warrants it.

In Brussels, I was told by senior officials of the European Economic Community that they were most interested in Canada as a source of raw materials, which doesn't really surprise us because that happens to be what we seem to have carried out for some period. It was our suggestion that, while we would certainly continue as a raw materials source, we are extremely eager to develop secondary industry in Ontario to upgrade these resources, specifically in regard to downstream development of petrochemical projects and increasing the flow of nuclear technology between Canada and the EEC.

With regard to the overall European mission, I know there is always criticism of members going abroad, but I am serious when I say to you that if we do not fly the flag of Ontario and Canada in the European market, then we will forfeit it to other countries. There are certain discouraging things for a minister of a province of Canada. You go into a European community or into the Brazilian market and you find out that countries such as Japan don't have one mission a week, they have several missions per week in each of these communities, endeavouring to locate new industrial development for their country and new sales potential for their country.

While we have tried to maintain a steady flow between the Canadian government and the Ontario government in trade missions and investment missions now—I look at the Prime Minister of Canada's mission to Japan not so many weeks ago to look for new investment—if we are to continue to grow and expand the economy and potential for new job opportunities, one of the principal reasons will be because of foreign investment from offshore. I hope we will find, as time marches on, through our credibility as a developing province that an opportunity for a profitable venture in employment and technology will come to Ontario. Thank you for

the opportunity of introducing my initial remarks.

Mr. Angus: Mr. Chairman, like the minister, before I go into my remarks I would like to introduce a particular person. It is not normal that a critic can have backup staff to assist in the preparation of comments relating to his particular field. I have been fortunate this year to obtain the services of a parliamentary intern, Mr. Peter Rekai, who is in the audience. Peter, I wonder if you could just stand up for a moment. Peter is here through the courtesy and the co-operation of the Ontario Legislature and the Canadian Political Science Association. So, just as you have individuals to help you answer questions, I have an individual to help me ask them.

Once upon a time there was a high-powered minister named Stanley Randall and a high-profiled one named Jimmy Auld who had their hands full looking after the twin concerns of economics and development and tourism and information. Today the successor of those two departments, the Ministry of Industry and Tourism, plays a nebulous and largely irrelevant role in the development of trade, industry and tourism in this province. It has sunk so low that it boasts the only part-time deputy minister in the government.

The signs of ministerial decay are evident in a number of areas, some of which I will be discussing today. They all stem, however, from one core problem—the lack of any overall direction, of goals, of a policy framework. The ministry's efforts in most fields of its endeavours represent sporadic efforts which lack any cohesive policy. Businessmen, investors and tourist operators are all beset by the same doubts in dealing with the ministry—they do not know where it is going.

Long-range plans formulated by the private sector may be in step with current whims among bureaucrats in the ministry, but how will their initiatives meet with tomorrow's preferences? How can a minister seriously lecture service groups, tourist organizations, industrialists and foreign investors on their role in Ontario's development when his own ministry operates within an overall policy vacuum?

The entire area of foreign ownership, for example, is one which the minister has approached in a confused, short-sighted fashion. In late September we were treated to the fanfare-filled departure of the minister and the Premier on an international junket to seduce European investors. Before anyone jumps to the conclusion that I am

complaining about the trip per se, let me assure you that I really don't care where the minister goes. It is what he does when he gets there that really worries me. I do not know what the minister took with him to Europe, but it certainly was not an Ontario government policy on foreign investment.

I wonder, for instance, if the minister considered using the following words in his opening address to European investors: "For the future, foreign direct or non-portfolio investment should be de-emphasized as a development and job creation strategy for Ontario and should be replaced with correspondingly substantial Canadian participation and Canadian-owned economic development."

The statement should be a familiar one to the minister. It is the concluding statement of the final report of the Ontario select committee on economic and cultural nationalism, a committee which was composed of 11 members of this Legislature, including Hon. Mr. Rowe, the present Speaker of the House, and two current members of cabinet, Hon. Mr. Newman and Hon. Mr. Handleman. It is this committee's intensive study of foreign investment and its effects on Ontario industry which the minister should have quoted regularly during his speeches to European investors.

In dealing with the problems of our manufacturing sector, for instance, the minister might have quoted section 14 on page 31 of the committee's final report on economic nationalism: "Foreign direct investment in Canada and in Ontario has placed considerable emphasis on the utilization of our natural resources. Development of our substantial human resources has not received similar priority. As a result, foreign ownership and control are associated with the relative underdevelopment of the manufacturing sector by comparison with the natural resources industries."

In discussing the efficiency of Ontario industry, the minister might have referred to section 15 of the same report, which points out that foreign investment in Ontario has led to the establishment of "truncated, miniature, replica branch plants rather than the development of full-fledged mature enterprises, with executive autonomy and investment, export market expansion, and substantial research and development facilities."

This section continues by stating that foreign ownership may be associated with enterprises or production runs which are too small rather than too large—that foreign regulation, particularly United States anti-trust legislation, tends to block consolidation of

industries which could then better cope with the smaller Canadian markets. European investors should have also been informed that this select committee of the Legislature considered it "wholly appropriate to the high level of educational and skill development in Canada that this country, and especially the province of Ontario, should be more prominent in technological production and more selective in reliance in importing technologies."

Foreign investors who may have thought that the minister was concerned about Ontario's trade deficit would have been surprised if the minister had told them that foreign-owned branch plants often served to channel products into Ontario rather than vice-versa.

[12:00]

Finally, the minister should have discussed foreign investment in terms of future capital requirements of the province of Ontario. Here we could have reminded his audience that in 1976, according to statistics provided by the Foreign Investment Review Agency, 60 per cent of foreign takeovers that were approved by FIRA were financed by profits generated in Canada or by loans from Canadian banks. In short, we have been bought out with our own money.

Also to be noted are recent figures from Statistics Canada which show that in the last four quarters, ending in the second quarter of 1976, Canadians paid out almost \$3 billion alone in interest and dividend payments to foreign investors. Ideally, the minister could have concluded his speech to European investors by stating that, because of the numerous pitfalls associated with past approaches to foreign investment in Ontario, the government of this province has developed a more discriminating policy designed to minimize the liabilities and maximize the benefits connected with foreign capital and investment.

Unfortunately, from what one is led to believe from press reports and the minister's own speeches concerning his recent international jaunt, none of the problems concerned with foreign investment was mentioned to European investors, neither was any Ontario position on foreign investment outlined. Just the opposite, in fact. The minister told foreign investors not to worry about the Foreign Investment Review Agency. He said: "We will show them that it's not difficult to get through it and that we'll help simplify the processing of applications."

He might have added that foreign investors could join him in ignoring the recommendations of the multi-volume reports of the Ontario select committee on cultural and economic nationalism. Finally, he might have pointed out that he really had no priorities concerning where new investment capital might be channelled in the province because his ministry had developed nothing resembling any kind of industrial strategy. The saddest part of this whole foreign investment issue centres on the fact that, while the minister is trying to drum up enthusiasm for Ontario in Europe, Ontario capital is flowing out of this province at an unprecedented rate.

The International Nickel Company of Canada, usually a large investor in this province, particularly in the north, in 1975 spent more than one-half of its \$333 million capital expenditures on developments in Guatemala and Indonesia. In gratitude, the Minister of Natural Resources (Mr. Bernier) last December moved to defer for five years the disallowance of foreign processing costs in the assessment of the mining tax, thus killing the prospect of thousands of jobs in northern Ontario. Over half of Noranda's \$22.6 million mineral exploration expenditures for 1975 were spent outside Canada, mostly in the United States. A recent article in the *Toronto Star* indicated that a record \$1.5 billion was being invested by Canadian realtors in residential and commercial housing projects south of the border.

Perhaps the most disturbing statistics relating to non-equity investment can be found in the most recent complete financial statements of Canadian Life insurance companies. In 1974, the second largest life insurance company in Canada, Manufacturers Life, invested \$319 million in Canadian corporate bonds and debentures, while \$400 million was similarly invested in US corporate bonds. Out of a total of \$244 million invested in stock portfolios by Manufacturers Life, only \$60 million were channelled into Canadian securities.

In view of the fact that even the few examples of dollar drain we have dealt with here involve hundreds of millions—even billions of dollars—might I suggest that the minister, accompanied by the Premier if he wishes, should at this time be visiting the moguls of Bay Street rather than the gnomes of Zurich in trying to promote investment in Ontario. Such visits could prove to secure far more lucrative results, i.e., the minister might point out to Manufacturers Life that a sister company, London Life, has opted

for a 99 per cent Canadian stock portfolio. According to figures provided by both companies, London Life is making money on its stock investments, Manulife is losing on its. That is the role suggested for the ministry here today, and that is what I consider to be a logical, indeed a necessary, priority for the Ministry of Industry and Tourism.

Just for the record, let us see what else the select committee on cultural and economic nationalism has recommended to your corporation-government. Under the heading, *Provincial Role in the Capital Markets*, it recommended:

"31. The government of Ontario should establish an appropriately staffed body in the Ministry of Industry and Tourism to monitor Canadian capital markets and to provide professional analysis and advice in relation to capital market processes.

"32. Canadian economic policies should promote foreign portfolio investment and discourage foreign direct investment.

"48. Ontario's Development Corporation should be empowered to secure through acquisition a government or a Canadian presence in selected industries.

"49. Ontario's Development Corporation should be suitably equipped with the legal and financial capacity to undertake reacquisition of enterprises should that be deemed in the public interest; to acquire enterprises coming up for sale from foreign owners for which no Canadian buyer can be found, provided that the acquisition [again] is in the public interest; and to acquire on a temporary basis Canadian corporations which would otherwise fall into foreign-owned hands.

"50. The development corporations should establish programmes to provide assistance to Canadians for the acquisition of foreign-owned enterprises or control positions by Ontario and Canadian interests."

I personally find these recommendations quite stimulating, particularly when they had the support of both the Conservative and Liberal members on that committee. I want you to know that I feel these recommendations are excellent, and I would appreciate learning what you think of them and what action you intend to take in implementing them.

Your recent trip to Europe seems to indicate that you believe that foreign investment will help this province. Let me show you how it really helps. First, let me quote from a number of the sector analysis booklets published by your ministry.

From the ferrous metal casting industry: "Foreign foundry associations carry on extensive research programmes, the results of which eventually become available to Canadian companies. Relatively little technical development takes place within Canadian plants."

From the textile and apparel industry: "There is little, if any, research being done in Canada. Much man-made fibre research is imported from the American parents of Canadian firms."

From the electrical industry: "Many Canadian firms rely to a great extent on technology developed elsewhere and imported from their parent companies or from other foreign firms as licensees."

From the furniture and fixtures industry: "Innovative ideas used by the furniture industry are usually developed outside Canada. Very little research and development occurs in the areas of production and technical design."

From the food processing industry: "The economic implications of this anticipated development are profound. Secondary industry provides about four times as many jobs per unit of sales as do the resources industries. Moreover, high technology jobs tend to be linked to secondary manufacturing."

"Canada's uniquely high level of foreign ownership may be a serious impediment to innovation. Of the 91 multi-plant companies in Ontario, 58 per cent are subsidiaries of other companies. Many of these utilize the research and development of their parent companies, thus reducing the research and development work done in Canada."

In the automotive and automotive parts industry: "Technological requirements are at a high level in this industry but most development is by the US parent companies."

The electronics industry indicates: "There are many well educated and highly skilled people available in Canada. Despite this, a survey of the Organization for Economic Co-operation and Development in Paris showed that of the top 10 western industrial nations, Canada was the only one which failed to produce a single, significant innovation since World War II." A very frustrating analysis, especially at a time when we are still credited with the invention of the telephone.

Those represent only a few of the predominantly foreign-controlled industries in this province. Let me provide you with just a few of the statements from the final report of the select committee on economic and cultural nationalism.

"15. Foreign direct investment in manufacturing in Canada has been primarily aimed at securing and protecting a position in the Canadian market for foreign technology, brand names, product concepts and market power.

"16. Foreign ownership and Canadian commercial policy are associated with sub-optimal plant size in Canadian industry.

"17. In many instances, foreign ownership has contributed to the under-development of Canadian industry, even where the Canadian market is large enough to support an internationally competitive industry.

"18. Foreign ownership has been associated with easier import access for foreign high-skill, high-technology manufactured goods and services.

"19. Foreign ownership has tended to expand Canadian exports of raw and semi-processed materials.

"21. High levels of foreign ownership are associated with the substantial under-development of Canadian research and development, technological and industrial design capability.

"22. More selectivity and sophistication in the importation of foreign technologies into Canada could significantly increase the benefits and lower the costs to the Canadian economy and society.

"23. High levels of foreign ownership limit the management and especially top management career opportunities for Canadians in Canada.

"24. Foreign ownership is closely associated with the under-development of the marketing function and capability in Canada through heavy importation of marketing techniques and heavy exports of products with a very low marketing content. The marketing function includes such elements as market research, product design, packaging, advertising and sales.

"25. Foreign direct investment including foreign takeovers has been a substitute for the development of the merchant or investment banking and other key capital markets functions in Canada."

There is a tendency for foreign-owned or controlled corporations to have less regard for the communities in which their plants are located than a Canadian-, or Ontario-, or locally-owned and operated entity. Let me give you a quick example, one incidentally that the minister himself is quite familiar with: Hawker Siddeley of Canada Limited, an entity of the British company, having plants in Ontario, other Canadian provinces,

and the United States, is the owner of the Canadian car plant in Thunder Bay. This company has had a remarkable history of versatility and diversification ranging from wartime production to the design and development and construction of double-decker rail cars for the GO train service in Metro.

I won't elaborate any further on the capacity and quality of the production there. However, I should point out to the committee that the subject of correspondence between the minister and myself is a decision by Hawker Siddeley to transfer the production of the Tree Farmer, a tractor-type vehicle designed for work in the forest industry, from Thunder Bay to a joint operation between Windsor and Malton. In a corporate sense, the decision is probably appropriate. However, from the point of view of the community and the plant, the decision is one that may ultimately sound the death-knell for that plant.

Without detailing the arguments that have already been presented to the minister and to the company, I would like to say this: In the minister's reply of September 15, 1976, as well as discussing my numerous alternative proposals, the minister stated, and I quote:

"Also it should be recognized that the company has manufacturing plants in other provinces as well as the USA. While it is true that Tree Farmer is being relocated from Thunder Bay, certainly another Ontario location is preferred to other alternatives."

May I respectfully suggest that this government is only functional to the level that the foreign-owned and controlled corporations wish it to be. Inherent in the statement by the minister is a threat either directly or by inference for the company to pull all its plants out of Ontario. In other words, the company is saying, or the minister feels it is saying: "You"—meaning the minister—"play the game our way, or we will take our ball and go home."

The total letter—and I would be happy to share it with anyone who wants it—actually reads like it has been written by the public relations department of that company, rather than the minister responsible for industrial development in this province. Perhaps that, in itself, relates to the minister travelling to Thunder Bay in the company of the president of Hawker Siddeley of Canada on October 22 of this year to participate in the official ceremony relating to the Mexican rail-car order. While I understand that the representatives of the government of Mexico travelled by commercial airline, it appeared that Mr. Bennett travelled in Hawker Siddeley's plane

along with that corporation's president. Shades of—

Hon. Mr. Bennett: May I, Mr. Chairman, at this point interject as a point of privilege and correct the member? I travelled by government of Ontario aircraft and I invited the president of Hawker Siddeley to go with me because I could find no other time to discuss the problem that the member for Thunder Bay is raising at this very point. Clarification; the president of Hawker Siddeley travelled on my invitation on a government of Ontario aircraft to review the very problem that he is itemizing here at this moment.

Mr. Breagh: That is not a bad switch.

Interjections.

Mr. Angus: May I express my apologies to the minister, and I withdraw that remark.

There has to be a way of controlling this influx of foreign investment in spite of the minister's approach. The select committee on economic and cultural nationalism took the following approach in relation to FIRA and for the minister and the hon. members who are following in the copy I have provided, I have actually deleted sections because of the length of this presentation, so I will just be reading excerpts.

"The Act does not apply to expansions except by way of takeover by foreign-controlled enterprises into businesses which are related to the activities already undertaken by the enterprise . . . The committee is of the view that the failure to subject related expansions and takeovers of small businesses in related businesses to the review is a serious gap in the application of the review process.

"The expansion of existing foreign-controlled enterprises into related businesses is an important element of new foreign direct investment. This represents a very large and important base from which expansions of foreign control can take place, both through financing obtained from Canadian capital markets and through internally-generated funds. It is important to note that funds generated internally within the foreign-controlled enterprises are an element of Canadian savings as much as is financing obtained through Canadian capital markets.

"While funding obtained by foreign-controlled firms through the capital markets is subject to the regime of the capital markets, funding obtained and applied internally within the firm is subject to no such external regime. Accordingly, if Canada chooses, as it has under the Foreign Investment Review

Act, to screen foreign investment in Canada in the form of takeovers and expansions in unrelated areas, to be logically consistent it is necessary to review expansions in related businesses.

This is especially so in view of the fact that such expansions are in large measure financed internally and not subject to the regime of the Canadian capital markets.

[12:15]

"Based on the above analysis, the committee has concluded that the failure of The Foreign Investment Review Act to subject expansions in related businesses by foreign-controlled firms is a major gap which ought to be remedied.

"The committee has concluded that the review process should be extended to encompass periodically the major foreign-controlled firms, whether they are expanding or not, in each industry in order to ensure that these firms are meeting Canadian economic objectives. Although the application of the screening process to foreign-controlled firms that are not expanding might be considered by some as an unwarranted intervention by the government in the private business sector, the committee has concluded that the potential benefits in terms of improving the performance of those firms in relation to the Canadian economy warrants the extension of the review process to cover these firms."

Following on the committee's very important recommendation, may I respectfully suggest to the minister that he seek cabinet approval to establish an Ontario Foreign Investment Review Agency to examine and make decisions about the expansion of existing foreign-controlled companies into any area of Ontario's economy. I'm sure the minister will find support for this from the Treasurer (Mr. McKeough) for in TEIGA's report, Foreign Control of Ontario Industry, dated October 1976, it is stated "that the economy of Ontario, and the nature of the foreign control problem here, differs from that of other provinces and thus one cannot expect federal policy on foreign ownership to be exclusively tailored to Ontario's needs. Consequently, the province may have to become more explicit in formulating and expressing a policy of its own on the foreign control of industry."

Given the fact of 80 per cent of foreign investment occurs due to expansion as opposed to direct foreign investment, I believe that this province has a responsibility to its residents to control this sellout. And, yes, to exemplify the ministry's loss of status and the inconsistency of this government, the Treas-

urer, no less, reiterated on October 6, 1976, just two days prior to the minister's return from investment seeking in Europe, that the government's position on FIRA was that "we need a more positive and innovative attitude toward foreign investment and foreign technology which would not sacrifice our independence or our sovereignty." The Treasurer was the one saying this, even though it is the representative of your ministry who is the Ontario liaison to the Foreign Investment Review Agency.

Leaving the field of foreign investment and taking a look at trade in general, I would like to speak to the potential for trading corporations in this province. This year the province faces a whopping trade deficit in manufactured products of \$10 billion. So far, we have seen that the minister's response to this problem is to encourage foreign investors to set up branch plants in Ontario, thus feeding more foreign products into this province. What is needed is a policy which encourages Canadian manufacturers to export abroad. As usual, the ministry has substituted Band-Aid solutions for effective and specific policy. Government-sponsored trade missions for company executives are, by themselves, expensive propositions which we believe yield minimum benefits.

What is really required in this province is a trading corporation which would act as an intermediary agent between Ontario industry and foreign buyers and would be responsible for direct selling of Ontario products on international markets. A trading corporation would be a major benefit to small and intermediate-sized manufacturers who do not presently have the facilities to penetrate foreign markets. It would allow these manufacturers to concentrate on their products, rather than manoeuvring through international red tape.

Ironically, it was the Ontario Ministry of Industry and Tourism which laid the groundwork for three provincial trading corporations which have recently been established in Manitoba, Saskatchewan and Alberta. Under John White's direction, the ministry had detailed plans to establish a trading corporation in this province. Even the present minister seemed to favour the idea until a former federal Minister of Industry, Trade and Commerce, Hon. Don Jamieson, expressed his displeasure with the entire scheme on the grounds that it would infringe on Ottawa's jurisdiction over foreign trade.

Other provincial ministers, however, found more courage than did Ontario's minister and, with the aid of this province's back-

ground studies, they established trading corporations on their own.

Today, the federal Minister of Supply and Services, Jean-Pierre Goyer, is again discussing the possibility of establishing a federal trading corporation. However, while the federal government is once again mulling over this issue, Ontario should be actively engaged in setting up its own trading corporation. In most instances, a provincial corporation can be more sensitive to the needs of local industry than a federal corporation. Also, other countries which have adopted trading corporations found it to their benefit to establish several of these organizations to specialize in various different lines and types of manufactured products.

One need not think too deeply to understand the advantage that this province could be giving to such exportable Ontario manufactured products as communications equipment, forestry equipment, machinery, mining and agricultural equipment, not to mention the rail cars produced by Canadian Car in Thunder Bay. The minister might also consider the benefits to the Ontario taxpayer when government-subsidized trade missions are replaced by a profit-oriented trading corporation—and I did use the words “profit-oriented”—which derives its revenue from commissions on trade transactions made on behalf of Ontario industry.

In its first year of operation, the Manitoba Trading Corporation reported a sharp increase in the volume of trade in the province, particularly in exports generated among small and medium-sized firms in the province Manitrade, as it is called, indicated in its 1975 annual report that the corporation handled \$1,025,000 worth of orders, with another sharp increase expected in its participation of trade this year. May I just point out that these were orders that were bought and paid for, and not projections.

Surely, of all Canadian provinces, Ontario, with its large manufacturing base, stands to gain the most from the establishment of a provincial trading corporation. It is clearly time for the minister to end his vacillation over this issue and act immediately to create a trading corporation.

Here, for the information of the committee, are just a few of the objects and powers of the Manitoba Trading Corporation:

“The objects of the corporation are to encourage, develop and increase Manitoba exports and trade; and without limiting the generality of the foregoing, the corporation may:

“(a) perform as an export agent by selling Manitoba products and merchandise or services on behalf of Manitoba suppliers in markets outside Manitoba and charge the suppliers commissions for arranging the transactions;

“(b) perform as an export merchant by purchasing products and merchandise or services from Manitoba suppliers and selling such products and merchandise or services in markets outside Manitoba;

“(c) purchase products, merchandise or services in any other Canadian province to supplement Manitoba products, merchandise or services when required to obtain or retain an order or contract in a market outside Manitoba;

“(d) purchase merchandise from foreign suppliers and arrange compensation (reciprocal or counter) trade when such a transaction will enhance the opportunity to make a profitable sale of Manitoba products, merchandise or services;

“(e) finance exports as specific in clauses (b), (c) and (d) by extending credit to agents, distributors and organizations, but purchase from Manitoba suppliers at their normal terms of trade . . .”

The entire scenario of procrastination which has surrounded the ministry's handling of the trading corporation idea gives us a prime example of the low priority accorded to trade by this minister. Thus, I was not really surprised to learn recently that the entire division of trade in the Ministry of Industry and Tourism has now been absorbed by the division of industry and that its former executive director, who we understand was an early advocate of an Ontario trade corporation, has found himself banished to Tokyo.

I would like to turn now to the area of industrial strategy for this province and I would hope that my previous comments in relation to foreign investment and trading corporations will be kept in mind during these comments.

One of the needs of Ontario which has been stressed continually by the New Democratic Party, as well as people within your ministry and industry in general, is the need for a comprehensive development strategy for the province. Report after report has emerged from this government. The purpose of the reports has been “broad guidelines,” “objectives” and other meaningless platitudes. What these reports have not done—and I place the blame almost totally on the minister's shoulders—is to provide specific goals with specific direction on how to obtain them.

This province flounders while motherhood statements are being made by you, by the Treasurer (Mr. McKeough) and by the Premier (Mr. Davis). Motherhood is a fine ideal; however, one has to do a little work to get there. We have no effective development strategy in this province. We have no land-use strategy. We have no resource development strategy. We have no development strategy related to secondary industry. And we have no strategy for redistribution of employment opportunities throughout this province. In short, we have nothing other than industry doing what it wants, where it wants, in the way it wants.

This ministry is responsible for that situation. This ministry allows discussion paper after discussion paper to emerge from this government. It allows interministerial committees to examine problems. But the ministry does not give direction either to the government, to industry or to the people.

And that is what we need in order to have orderly development of this province. At least the platitudinous reports agree with this.

Mr. Minister, I refer you to Ontario's Future: Trends and Options, and I quote:

"We know that this growth, if allowed to take its natural course, will tend to gravitate to a few already crowded parts of the province. We know now from experience that growth can do harm as well as good, that change can be for the worse as well as the better. And we understand more clearly than we did 25 years ago that our resources—of natural wealth, of energy, of money—are not unlimited and must be used with care.

"The conclusion may be summed up in a few words: the imperative need for prudent management of change in Ontario. In the north, many communities are dependent on a single mine or plant; while in the south some areas are dominated by a single manufacturing industry or a few closely related industries, such as textile manufacture in eastern Ontario or automobile manufacture in Oshawa. This has left many areas and regions highly dependent on one narrow sector of the economy or even on one firm within that sector. This condition leads to serious problems if that industry runs into economic difficulties.

"Also, utilization of the natural resources on which their economy depends is at a lower level than it could be, partly because of their remoteness from markets and processing centres. Uneven development and too narrow an economic base have brought to these areas problems of instability and even long-term decline which will continue unless economic

growth in each area becomes more diversified. It also leaves some communities throughout Ontario overdependent on particular industries and extremely vulnerable to fluctuations in the prosperity of those industries.

"What is essential is that the action taken be based on carefully devised, integrated, realistic strategies which recognize obstacles as well as opportunities. A series of unrelated programmes, each dealing only with a specific issue or objective, will inevitably be less effective and more costly than a unified approach. Piecemeal programmes may conflict and even frustrate each other's purposes. Ontario cannot afford to let this happen. There must be integrated strategies aimed at clearly defined objectives and carried out within a unified policy framework."

How sadly this ministry and this government compare to Saskatchewan's Department of Industry and Commerce—a senior portfolio in that government and one that this year has published a comprehensive five-year industrial plan for that province titled, *An Industrial Strategy for Saskatchewan*. Here we have a document which not only tables the expanding population, growing trade and capital investment boom that Saskatchewan has been enjoying in the last few years, but also gives direction to this growth with some well-defined goals for the future. I would invite the minister, and any members of his ministry to read this report and to learn not only from the enlightened policies of the Blakeney government, but from its commitment to developing clearly defined priorities for the future development of industry in that province. Haphazard initiatives undertaken by Industry and Tourism in recent months stress more than ever the need to adopt similar priorities.

A comprehensive development strategy for Ontario should address itself to the following: capacity of existing communities to absorb new or expanding industries; need of existing communities for diversification; manpower requirements; industrial infrastructural requirements; availability of capital; entrepreneurial availability; market requirements; energy requirements; government incentives and disincentives; transportation; both modes and policy; provincial pricing; tax requirements; cultural amenities; sources of natural resources, components and parts, and commitment.

A responsible government would not only examine the various components of a development policy, but should provide specific direction to turn that policy into a strategy so that business, labour and government can look to it for direction. Let me give you one

example of how we might examine a particular potential. I will use an example that relates to the much discussed memorandum of understanding between the province of Ontario and Reed Paper Limited.

Firstly, we would examine any unlicensed forest in this province. We would conduct a tree inventory in order to establish the harvest capacity of this particular section of the province. We would examine existing mills. We would examine their capacity for expansion as well as the life expectancy of the existing plants. We would also look at their present cutting areas, examining their methods of harvesting and the potential for the future. We would analyse the transportation methods available and how they would connect the unlicensed cutting area to the existing mills. Finally, we would examine the communities themselves to evaluate their needs and capacities in relation to diversity, economic and social stability as well as the total infrastructure.

After all this is done, a government would then decide (1) if there is a need for a new mill or if the existing mills should share in the unlicensed cutting areas and by what means, and (2) if it is decided that a new mill is required, we would then examine existing non-mill communities adjacent to or within the cutting area with reference to most of the points I have indicated earlier, before a community was selected.

I don't feel I need to elaborate on the fact that throughout this total process there would be full public participation as well as full environmental and social impact assessments.

[12:30]

Mr. Reid: Does that include Reed Paper?

Mr. Angus: I'm not sure of your question. I'll talk to you later. This is only one example of one industry in this province. A responsible government would take the initiative to identify areas of need and areas of potential development, analyse the situation, design an approach and then bring together the necessary components for development—capital, leadership, infrastructures, manpower and all of the other necessary parts of development.

In general, one would look first at the communities that rely totally on a single industry for their economic and social stability, and in fact survival; examine the potential of that industry and that community in terms of diversification with a mind to ensuring that in the event of fluctuations within that single industry the total community would not suffer. A responsible gov-

ernment would decide on the type of industry that would be best suited to the needs and resources of that community. It would then endeavour to bring about the establishment of that industry in that community.

Certain restructuring of provincial and federal policies must occur to ensure the survival of the yet to be established secondary industries in many of these communities.

The competitive climate in Ontario commerce must be equalized between the have and the have not sections of the province. Existing freight and transportation costs allow raw, natural resources to be moved out of the north at a cost much less than the cost of shipping finished products back into the area. Common sense dictates that it is cheaper to load and unload iron ore than it is to load and unload refrigerators.

One approach to overcoming this situation is some form of transportation subsidy. It is questionable, however, if these kind of subsidies ever result in lower consumer prices. The suspicion is that they just increase the profit level of the transportation industry.

Another approach, which I feel is worthy of further study, is one of a provincial pricing policy. At present, on certain items, a number of the major food chains, as well as major dry goods chains, have a provincial pricing policy. For instance, an item will cost the same in Toronto as it does in Red Lake. If this policy could be applied to all manufacturing sectors, as well as food and energy, the results would be as follows:

Reduction in the cost of living in smaller and more isolated communities; allow secondary manufacturing in northern Ontario to compete on a more equal footing with their competitors in the south; provide a negligible increase in the purchase cost in southern Ontario while drastically reducing the cost in northern Ontario; and it would also allow industries established in the north to obtain component parts at a lower rate than they normally are able to do.

Let me give you an example. A particular company makes product X, which retails for \$100 in the area adjacent to the plant in southern Ontario. It costs \$10 to transport the product to northern Ontario where transportation costs are added on, making the retail price \$110. Ninety thousand products are sold in southern Ontario and 10,000 in the north. If the cost of all transportation were applied or absorbed at the factory gate then the cost to every consumer would be \$101—a one per cent increase in southern

Ontario and an eight per cent decrease to the northern consumer.

I should point out that this is a hypothetical example and may not relate specifically to the details of north-south costs. In 1971, the province of Ontario equalized the price of beer and ale. The cost in southern Ontario prior to equalization was \$4.50 per case, while it was \$4.76 in the north. When it was equalized, the price was established at \$4.65, a 3.3 per cent increase for the south and a 2.3 per cent decrease for the north. However, at the same time the province increased the gallonage tax, thereby effecting the actual equalization.

In addition, I feel that imports could be equalized in price at the point of entry or the initial warehouse.

By applying a provincial pricing policy at the wholesale level it would still allow for inter-store competition and variations due to the volume of individual local sales.

The whole area of incentives and disincentives must also be detailed in a development policy. Mechanics must be developed to ensure that the only growth that can occur in an over-populated, over-industrialized sector of the province is that which is necessary to the economic stability of that community.

A degree of flexibility is necessary when examining the need to allow expansion of existing manufacturing. Care is also needed in saying that company A cannot construct a plant in an already over-industrialized area. I say care because of the intricacies of the physical inter-relationships that may and do exist within the over-industrialized area. By this I mean that it may be practical and necessary for an existing plant to have company A locate nearby. Chemical production with direct supply is one idea that comes to mind.

A method is required to allow for only necessary growth in over-industrialized areas. One method that has been suggested is a form of permit system.

To elaborate, let me offer yet another example. Firm A applies to the tri-level development board—consisting of provincial, regional and local representatives—for a permit to build a new factory in Metro. The planning and technical staff of the board, in consultation with the applicant, examine the application in the light of the provincial industrial strategy.

Such a strategy is naturally a necessary prerequisite for a permit system. There would be designated areas for growth, and

within each area there would be defined and appropriate industrial mix. It is also recognized that any set of industrial guidelines must be adaptable enough to accommodate changing circumstances in the communities and the province in general. An example that comes to mind is the non-designation of Ignace as a growth centre and then within a year or two, all of a sudden, it was growing.

A quota system also eliminates the whole analogy of building a "great wall of China" around Toronto, while at the same time controlling growth. If a firm does not obtain a permit then it is the responsibility of the government to provide the appropriate climate for establishing this particular industry in a more appropriate community. One such incentive was the provincial pricing I mentioned a moment ago.

The amendments to the development corporations which you mentioned earlier in your statement, Mr. Minister, provide part of the answer to establishing the appropriate climate. However, I believe it needs to be accomplished on a more direct basis than the bill presently provides for.

The ministry, through consultation with the municipalities, should fully develop a total industrialized park or estate system designed to meet the analysed needs of the community and the industrial sector. As well as land and infrastructure, this could include the actual construction of the shell to contain the future manufacturing entity.

Mr. Kerrio: Is that state or estate?

Mr. Angus: Estate.

The total package would be on a lease basis. This in itself will provide a much-needed incentive to the entrepreneurs of this province. With the high interest rates that we have today, any incentive that reduces the degree of capital required is important. This is not to say that the lease rate will not be such as to cost the taxpayer money. On the contrary, this proposal would not only break even but in time would actually show a surplus that would be diverted to further incentives.

Obviously, one of the problems that must be addressed in an industrial strategy is the availability of manpower. The reality of today's Ontario is that unemployment is one of its major concerns; yet we have situations where the federal Minister of Manpower and Immigration has had to authorize work permits for hundreds of pipefitters from the United States because Metro pipefitters

could not be induced to relocate to Thunder Bay, where the work existed.

While I realize we have little influence over federal Manpower policies—and I am pleased to learn, Mr. Minister, from your earlier comments, that there is a presence of this ministry in the Manpower area although I feel that it still doesn't go far enough—what I feel is needed first and foremost is direct financial assistance to the worker and his or her family when they are prepared to relocate. This can be done through reimbursement of travel and resettlement costs as well as assistance in disposing of existing accommodation and securing of new accommodation in the chosen community. Consideration should also be given to some form of security of income for a specific period of time for those individuals taking up the challenge of an expanding community.

This concept, if promoted as well as properly co-ordinated with the federal immigration offices abroad and your own trade missions, could be utilized as an inducement to encourage new Canadians to locate in areas other than the "golden horseshoe."

The last point that I mentioned in the list of criteria a short time ago was commitment. This refers to the dedication of the government of the day to providing leadership for industrial development.

To date I believe the Conservative government that we presently endure in Ontario has not provided that leadership. More frustrating, the minister responsible for industrial development has not only not shown leadership but has succumbed to the pressures of the multi-national corporations. The only commitment this government has is to the corporate interests of the corporate sector, more profits at the expense of the people of Ontario.

Let me conclude by advising you that a New Democratic government in this province would not be so irresponsible. We would not only have a commitment, we would prove it as well.

I realize I have dwelt at length on these particular topics; however, I believe they are important to the future of the province of Ontario and to the effectiveness of this ministry. I appreciate the indulgence of this committee during my comments and I look forward to the comments of the critic for the Liberal Party, as well as what I assume and hope will be a detailed reply by the minister.

There are many more items I hope to raise over the next few days. Particularly, I intend to discuss the roles and effectiveness of the development corporations. I hope to

pursue, to a certain extent, the confusion surrounding Thunder Bay Ski Jumps Limited. I do not anticipate discussing the situation surrounding Minaki Lodge, as it was dealt with at considerable length during this week's public accounts committee; and as Mr. Boyer, the ministry's representative on the board of directors of Minaki Lodge is scheduled to appear before the public accounts committee on Thursday, December 2 at 10 a.m., I would appeal to the members of all parties here to hold questioning on that particular issue until that time. It will also free up a representative from the Ministry of the Attorney General who, if we got into Minaki, might have to be sitting beside the minister.

I intend also to question the approach this ministry takes in regard to tourism development in this province. In addition, some of my colleagues will be discussing specific areas within this ministry, and I welcome their participation. Once again, I thank the minister and the members of the committee for their patience.

Mr. Vice-Chairman: Mr. Eakins, do you feel you have time to complete your remarks?

Mr. Eakins: Lots of time; I might have some left over.

I appreciate the opportunity to make some remarks on behalf of our party on these estimates. I would just like to say a personal word, first of all. I would like to express to the minister how much I have appreciated the co-operation, to a very great degree, of his representatives in the area which I represent in the riding of Victoria-Haliburton.

So often today civil servants sometimes get raked over the coals for many things which they do or don't do. I would just like to tell you that in the counties which I represent the co-operation of ministry representatives, Mr. Bruce Williams and Mr. Bob Shelley, has just been excellent. I have had full opportunity to discuss many things with them; they have always been available to myself or to the people there. I feel that I would like to comment on the excellent work which they are doing and the good spirit of co-operation which they are showing. I know that if there are problems in other ministries with people, we are certainly free to express our view. I feel in this case, when we are receiving good co-operation, we should put this on the record and express this to the minister.

There are a number of things which I would like to mention. My remarks are going to be reasonably brief because the members

of our party have particular questions they would like to ask under the various votes. I would like to leave them lots of opportunity to be able to speak on the various areas of concern which they have. There are other areas which I know the critic for the NDP has spoken of which have been in the news recently and discussed in the public accounts committee. But since it is under the Ministry of Industry and Tourism I would like to make at least some remarks or have some report on the current status of Minaki Lodge, for example. The restoration plans for the \$6.3-million jewel.

Although we are in a period of restraint, we realize that even though it is not an operation it does cost \$1,000 a day or \$30,000 a month just to keep the jewel shining. I would like some comment on that. I think it's in order, being in Industry and Tourism. Also I would appreciate a word on any other areas, such as the status of Maple Mountain, or other areas that you might comment on for us.

With respect to our tourism policy, I think it's time we asked ourselves—and I would certainly like your comment on this—if we are really pricing ourselves out of a tourist industry, particularly with the US market. Since 1973, the number of US residents vacationing in Ontario has been declining. Just to cite figure for the months of July and August, from 1973 to 1974 visitation by US residents declined by 1.2 per cent; and from 1974 to 1975 it was down by 3.4 per cent. In 1976 we experienced a drop of 11.2 per cent or 919,387 visitors for that period. Granted the reasons for 1976 were associated with the US Bicentennial celebrations and a federal election, as well as the Montreal Olympics. However, there is also a reason for the overall declining trend and that is the cost of vacationing in our province. Whereas a holiday in Canada used to be a bargain for US travellers, the current exchange rate on the dollar is no longer in their favour and this has had a marked effect on their decisions to travel here.

[12.45]

Along with this they have extremely high gasoline prices to contend with on Highway 401 and throughout other parts of the province. Throughout the area that I represent this is a question which I am being continually asked and I would like your comment on this. Generally high energy costs are hampering all automobile trips.

The atmosphere of the current recessionary period has also psychologically affected

people in such a way that they are restraining expenditures on practically everything that is non-essential, such as vacations.

Also this year, many Americans avoided attempts at holidays in Ontario and Quebec due to reports to book early for accommodations or face disappointment due to the Olympic events in both provinces. This had a marked effect on the eastern region of Ontario, in particular from Cornwall to the Quebec border.

I know that you have responded to our questions in the House by informing us that you are aware of the declining trend in the US visitation and that you intended to launch a vigorous advertising campaign to regain that market. I believe our thrust should be to attract more people to stay for longer periods of time. To this end, tourist operators should probably be providing a broader range of attractions, with your assistance, at their facilities for the entire family.

With tourism ranking as Ontario's second largest industry, accounting for seven to eight per cent of the gross provincial product and employing about 10 per cent of Ontario workers, we risk losing a lot of revenue and a lot of jobs unless we rectify the situation.

Although visitors from overseas have increased in number, the decrease in the US visitation has been far greater, and thus we have experienced a net decrease in visitation since 1973. We obviously have no control over certain factors, such as economic uncertainty, and we wouldn't have wanted to cancel the US Bicentennial, but hopefully an improvement in our economic climate, coupled with a good promotion campaign, will help to restore our tourist industry and at least put an end to our declining trend in visitation.

I would like to know how the minister feels about the effects the proposed property tax reforms will have on the province's tourist facilities if those proposals are implemented in their present form? When representatives of tourism in Ontario appeared before the Willis Blair commission, they warned the members that our present tourist slump could worsen with these proposals, if business tax is increased on hotels, motels and resorts. Higher business tax would mean higher room rates to further discourage US visitors.

I would like to draw your attention to the proposal for golf courses, and I refer to proposal No. 2 of the property tax reforms, which states:

"Vacant commercial and industrial property, land, railway rights of way, golf courses, lodges, clubs, associations and conservation authorities are currently included in the de-

finition of residential property. These properties will no longer be defined as residential and will be taxed at 100 per cent of market value."

This proposal to tax golf courses—one of our finest recreational attractions—in this manner, simply amazes me in the light of a study that was done on this in 1972. A committee was set up specifically to inquire into the assessment of golf courses and make recommendations as to their valuation and taxation, because golf course owners had indicated they could not afford taxes based on market value assessment. Obviously, if owners were required to pay taxes on 100 per cent of the market value of their property, the fees they would have to charge to maintain such large tracts of land would be exorbitant. The report of the committee on golf course assessment and taxation was published in February, 1972. I would like to quote a passage from it that summarizes their recommendations:

"It is our view that a distinct zoning category for golf courses is justified on planning grounds. A separate zoning would recognize the unique character of an open space use, which in most cases is open to the general public only under fairly strict control. It is, by its nature, a low-intensity recreational use, and because of its landscaping and design performs valuable aesthetic and ecological functions, particularly in an urban area. These features set it apart from most of the remainder of public open space uses.

"Because of the general contribution to the urban environment made by golf courses, this branch would welcome any change in assessment practice that would give an incentive to the owners to maintain their land as golf courses."

What amazes me is that this committee's report has simply been shelved. I would like to know why, after a study was set up to look into this matter, the recommendations were not considered? The reason I am discussing the implications of the tax reform proposals is simply that all the efforts put forth by the ministry to rectify the slump in the tourist industry may be obliterated by the effects of increased taxes brought on by the proposals. Such increased taxes will simply make it more difficult to improve the situation.

Turning to industry, I think the province should perhaps be more concerned about the current investment situation. I realize that your ministry's concern for this was exemplified by a recent trip to Europe to attract foreign investment funds. I would be inter-

ested in hearing comments on how successful you feel that was. The Premier (Mr. Davis) and the Treasurer (Mr. McKeough) were also courting the US financiers in an attempt to direct more of their funds to the province. My only comment on these trips is that their purpose is lost when there is an air of uncertainty that exists in the province that should be cleared up before we can expect substantial sums of money to flow here.

I realize that some of the uncertainty is a result of the federal government's actions, such as the wage-price controls and foreign investment review agency restrictions, but some blame can be placed on the province, for two reasons: First, the 20 per cent land transfer tax on foreigners, which I know the Treasurer is currently reviewing in light of its effects on foreign investment here; second, the delay in the implementation of the new Ontario Securities Act.

This Act was introduced in the spring of 1975 after two draft bills had been introduced for comment and revision. This new bill never passed first reading; and the minister responsible for it, the Minister of Consumer and Commercial Relations (Mr. Handelman), has stated that he does not expect to re-introduce it until spring at the earliest. I suggest to you that investors simply don't place substantial sums of money into an area where there exists an area of uncertainty from pending changes in legislation.

Even Arthur Pattillo, the chairman of the Ontario Securities Commission, has expressed concern over the present investment situation of the province. I would just like to quote from a recent speech he made in Toronto this fall:

"It is generally accepted that the American climate for investment is better than the Canadian climate and is likely to remain so for some further period of time. These expressions of opinion and recommendations have resulted in a substantial flow of moneys out of Canadian securities and into American securities. The number of shareholders in all of the leading Canadian companies has been drastically reduced.

"There is no doubt in my mind that the climate for investment in Canadian corporate securities, particularly equities, is bad, and there is no other word to describe it. And I, for one, do not expect much improvement in the climate until the present uncertainties have been removed."

I think that clearly sums up the situation in our province. That is why I suggest we have a lot of cleaning up to do ourselves before we can or should expect any foreign

sources of funds to find Ontario a desirable place in which to locate.

My reasons for feeling so strongly about investment in the province are because of the drastic decline in net direct investment in Canada over the past five years. The net direct investment in Canada in 1975 was \$630 million, down from \$905 million in 1970. For the first six months in 1976 it totals a mere \$50 million, but during the same six-month period a total of \$220 million left Canada.

During the five years from 1970 to 1975, the amount of net direct investment leaving Canada had increased from \$315 million to \$650 million. Ever since 1973 there has been more net direct investment leaving Canada for foreign destinations than there has been entering this country, and I think that is a danger signal to us when Ontario has usually taken about half of the Canadian total. It has culminated in the startling statistics for the six months of 1976, which reveal \$50 million entering the country and \$220 million leaving it.

With respect to our industrial policy, I would like to hear the minister's comments on priorities for the direction of funds into certain industries.

I would like to suggest that decentralization could be obtained with the ministry ODC policies; or does the minister feel that this may already be being achieved by the channelling of funds into the EODC and NODC for development of particular areas of the province?

While on the subject of loans, I would like to know if the ministry receives any feedback from its small business workshops. I'm rather interested in this because I'm really concerned as to whether it is actually assisting small businesses as it was intended or has it merely been a public relations project? I know you have been proclaiming to these small businessmen that the ODC has a great willingness on its part to help out all businesses through financial assistance, and yet businessmen always seem to have a hard time obtaining loans. I'm mystified by the discrepancy in that you always have so many loans to offer and yet so many businessmen always seem to be looking for them. Perhaps you might clarify this for us. There must be some kind of a breakdown in communications, and I would like to

know how the average businessman can be informed of what is available to him through the ODC programmes.

Finally, I would like to comment on an aspect that I feel is of particular importance to this ministry, and that is a greater degree of co-ordination of policies with other ministries. The very nature of this ministry, with tourism thriving on such elements as the environment and natural resources, renders the operation of this ministry in isolation of other ministries sheer folly.

Without environmental, natural resource or even transportation policies effectively related to tourism policies, we risk operating to the detriment of another ministry. An example of this, of course, is the proposal I've already submitted to the minister on incorporating reports on vacancies in private campgrounds with those reports informing the public when provincial parks are full. I was encouraged by the minister's reply to me that he has discussed this with representatives of the Natural Resources ministry, as a number of private owners suffered greatly this year from the tourist slump and felt that radio reports advising that provincial parks were full caused many potential campers to turn back when their own campgrounds, in many cases, were nearly empty.

I've already touched on the question of the loss of investment funds. I think a closer contact with the Treasurer on the 20 per cent land transfer tax, and the Minister of Consumer and Commercial Relations on the delay in implementing the new securities legislation, might make the selling job easier to foreign sources of capital.

I think of all the ministries, this one simply cannot function in isolation from others. The inter-relationship of industrial and tourism policies with those of other ministries holds great potential for improvement in the functioning of this ministry. On that very important note, I would like to conclude my opening remarks.

Mr. Vice-Chairman: Thank you, Mr. Eakins. Since there are now only three minutes to go, perhaps we would like to adjourn and the minister can reply on Monday.

The committee adjourned at 12:57 p.m.

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SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
INDUSTRY AND TOURISM

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Monday, November 22, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

MONDAY, NOVEMBER 22, 1976

The committee met at 3:28 p.m.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (continued)

Hon. Mr. Bennett: Mr. Chairman, before we go to 2101, I think it is a good opportunity today to try to respond to some of the remarks made by the critic for the NDP and the critic for the Liberal Party, relating to the Ministry of Industry and Tourism's overall position.

One of the first things I'd like to do is once again correct, on page 12, the remarks of the member for Fort William (Mr. Angus) relating to travel to Thunder Bay back in October. I want to put it on the record again, very clearly and very distinctly, the day I travelled to Thunder Bay I was well aware of the fact that there were a number of people from the country of Mexico, representing the railway industry in that country, going to Thunder Bay to receive two of the initial order of a hundred and some cars from Thunder Bay's Hawker Siddeley company.

At the time, I invited the president of Hawker Siddeley to travel with me because of some remarks, some comments which had been raised by the member and several others relating to the overall position of Hawker Siddeley and its development in Ontario. The president of Hawker Siddeley did travel with me in a government aircraft. I repeat, it was a government aircraft we used for the province of Ontario. I did not fly on any aircraft owned by Hawker Siddeley. As long as it's noted, so that if anyone wishes to refer to the comments of the member, they will see that there has been a correction made.

[3:30]

Mr. Angus: That was noted in Hansard last Friday.

Hon. Mr. Bennett: The only reason I raise it again is because the remarks were circulated, if I recall correctly and I'm not sure they were corrected in anybody's copies received.

I'm going to try to go through my remarks in an orderly fashion in relationship to the comments made by both the critics. I start with the comment made on page 2 of the opening remarks of the member for Fort William.

Concerning the report of the Ontario select committee on economic and cultural nationalism. After the final report was presented to the Legislature, the Premier (Mr. Davis) announced that two ministers would co-ordinate the government's response to the recommendations. The Minister of Consumer and Commercial Relations (Mr. Handleman), a former member of the select committee, and the Minister of Culture and Recreation (Mr. Welch), were assigned the job.

Comments on the recommendations have been processed by several ministries, including my own ministry, within two policy fields of government and are being prepared for consideration by the ministers of the social and resource development cabinet committees. Until the recommendations have been cleared through the cabinet committee and receive final clearance for the full cabinet of government, it would be premature of me to comment on the various and several passages from which Mr. Angus has quoted.

As you are aware, the select committee on economic and cultural nationalism report does not represent the government policy. Judging from the discussions I had on my recent investment mission to Europe and the current climate for investment in Canada alluded to in Mr. Eakins' opening remarks—my personal feeling is that the government of Ontario should be very wary of adopting the recommendations of the select committee's report that would give the appearance of discouraging foreign investment or in any way creating an unfavourable investment climate in the province of Ontario at this time.

My government has gone on record as not wishing to discourage foreign investment in the province. The significant factor is that the investment funds be used to improve the productive technological and competitive base of Ontario Industry. The recent agreement which brought together, for example, the

appliance divisions of Westinghouse, Canadian General Electric and General Steel Wares to invest another \$50 million in Canada and to provide 400 new jobs is the kind of venture my government is seeking to foster. I mentioned that this afternoon.

In addition to that, we might also look at Petrosar which is an example of the policy in that it is 60 per cent Canadian-owned and is a high technology industry. It has a world scale which will provide a very competitive position. I think the thing we should look at in this particular industry is that it will help the balance of payments we are experiencing. It will employ immediately in the range of 8,400 people and if we look at the downstream possibilities, we could be looking at employment in the order of 10,000 to 12,000.

On page 6 there were two points raised by the NDP critic. One which was, "His ministry had developed nothing resembling any kind of industrial strategy," and, two or three lines later, "Ontario capital is pulling out of this province at an unprecedented rate." Throughout many parts of his prepared text, Mr. Angus commented on the need for an industrial strategy for Ontario and mentioned it, as I've said, on page 6.

This statement and others made in the text are somewhat puzzling and difficult to accept. Mr. Angus is aware of the ministry's sector analysis reports as he has made reference to some of them. He either does not know of or elects to ignore the objectives and/or purposes of these studies in his remarks concerning them. Studies have been completed on 13 sectors which were selected as the particular sectors embraced in approximately 80 per cent of both Ontario shipments of manufactured goods and manufacturing labour force. The sectors that we have completed include the textile and apparel industries, the ferrous metal casting industry; the automotive and automotive parts industries, plastic conversion industry; electronics; construction; furniture and fixtures; chemical; marine and ocean technology; aerospace; electrical; metalworking; and food processing industries.

In the introduction to each of these reports, the following was stated: "In meetings and conversations with the Hon. Claude Bennett, the Minister of Industry and Tourism, Ontario representatives of business, industry and labour voiced a need for industry analysis on a sector basis."

I might say here that sector analysis has been a real concern not only of this government, I tell you, but of the federal government. At one time they discussed doing the

whole industrial development as one sector and obviously it became so confused and complicated, the federal government itself, along with the provincial government, decided to break down into individual areas of manufacturing and industry.

"This study is the ministry's response and it seeks to identify the needs of the industry in Ontario, establish common objectives and present some industry suggestions for achieving them."

Essentially, it is intended to continue a dialogue with the industry sector, labour, trade associations, suppliers, customers and other interest groups having direct involvement. We hope to reach a consensus which will contribute to the formulation of policies geared to improve performance. Copies will be distributed to the industry and other interested groups through the regional offices of this ministry.

"This is not a statement of policy, it is an invitation to participate in an assessment which will confirm the needs of industry in Ontario and in Canada. This assessment will provide Ontario input into the federal government for the development of a national industrial strategy for the sector."

I might say that the federal government has requested copies of our sector analyses so they can try to make them of some use in the workable forms they're putting up at this time.

If he were to develop strategies, Mr. Angus claimed on page 29 of his text, "I do not need to elaborate on the fact that, throughout this process there would be total public participation." It should be pointed out to Mr. Angus that this is precisely the procedure adopted by the ministry in developing the sector analysis reports.

In supporting my statement that the ministry in actual fact had already followed the procedure advocated by Mr. Angus, the following news release was issued on March 13, 1975—Mr. Chairman, rather than going through and reading it, I think maybe it would be best if I would be permitted to produce it to the clerk and allow it to be put into—unless the committee wishes me to read it.

You wish me just to place it—

Mr. Angus: Just place it, yes.

Hon. Mr. Bennett: In developing Ontario's industrial strategies, the ministry planned its programme in three detailed phases. The purpose of these studies is to further industry-government dialogue, to assist in the formula-

tion of policies that contribute towards improved industrial performance and set the groundwork for an industrial strategy. This was considered phase one and is being documented in the sector analysis reports.

Phase two consisted of the issuance of these reports to the industry sector, labour, trade associations, suppliers, customers and any other interest group having direct involvement. The reports were to serve as an invitation to participate in an assessment which will confirm the needs of these industries in Ontario. These assessments are presently being obtained and will provide a basis for the formulation of phase three of industrial strategies.

A goal of the ministry is to stimulate employment and income through a well-co-ordinated development of industry. Undertaking sector analysis in co-operation with industry and possibly longer-term assistance in resolving problems and pursuing opportunities is consistent with this goal. The extended industry-government dialogue through sector analyses will become useful for policy formulation and will lead to the joint development of sector strategies.

A number of significant policy areas are federal responsibility, as you will understand, but in view of Ontario's position in many industries, the province should play an active and consultative role in policy and strategy formulation. The federal government concurs and has invited provincial government input.

Under today's constantly changing conditions such strategies cannot remain static. It is therefore the intention regularly to update these documents to provide a constant flow of fresh information, assisting in intelligent modification of policies as dictated by new developments.

As it relates to innovation, the member for Fort William (Mr. Angus) has quoted this statement which appears in the sector analysis on the electronics industry: "There are many well-educated and highly skilled people available in Canada. Despite this, a survey by OECD (Organization for Economic Co-operation and Development, Paris) showed that, of the top 10 western industrial nations, Canada was the only one which failed to produce a single significant innovation since World War II."

This statement was taken from an address by George Sinclair, a well-known inventor in the electronics industry. He calls for less government involvement, not for more. In other addresses and in correspondence, Dr. Sinclair has emphasized that: "The key to innovation

is the entrepreneur." And he goes on to quote further: "R and D is definitely involved but it does not lead to innovation unless there is an entrepreneur to promote it."

If we accept this concept, then the way to increase innovation is to create the conditions which encourage people to invest and to become entrepreneurs. Modern industry is an incredible, complex system which cannot be cured of its ills by simplistic solutions which deal with only part of a situation. It is obvious that people will not be encouraged to invest their money in new ideas when it is not more profitable than to put the money in government bonds where there is no risk.

Ontario is heavily dependent for its present and future prosperity on a strong, profitable, innovative manufacturing industry. Those of us in government need to do what we can to build a constructive business climate which will ensure this continues. In particular we need to encourage Canadians to invest in their own enterprises as the most positive approach to building our own future. Canadians have proven their ability to compete with the world's best, as the following examples will illustrate:

Northern Telecom has been a world leader in many areas, such as private electronic automated branch exchanges, the "contempra" telephone, the "logic" business telephone, the electret microphone, electronic telephones—and other devices in the systems that are used.

The Candu reactor system is widely acknowledged to be an outstanding technical achievement in terms of safety, reliability and efficient use of our fuel.

Canada has an excellent record in the field of communications satellites, from the Alouette to the latest CTS communications technology satellite, a joint venture with the US.

In the aircraft industry, the aircraft flight simulator, the Arrow, the Otter, the Beaver, the Dash-7, are all names which have won recognition world-wide. In the steel industry, Canada was the first to install a basic oxygen furnace. Many of the innovations are related to the resource industries, where the development is unique to a particular company or industry and therefore is not as widely known.

In this current budget year we have initiated three programmes: OPAIT, PEPI and PDDP, which have had very little funding but which we expect to produce excellent results. We'd like to do more but under the existing constraints cannot at this very time.

There's one topic on which I hope we can all agree, and that is the need to avoid increased imports, which in effect import un-

employment. It is difficult to visualize exactly how a general reduction in tariffs will help our secondary industry become competitive until a more equitable business climate has been created in Canada. However, on a long-term basis the world seems headed towards a freer, and I underline the word freer, trade. There can be no question that concerted effort will be required to revitalize our secondary industrial activities to make us more competitive internationally. This must be a joint effort involving industry, labour and government.

As you are aware, many of the other provinces depend on natural resources and primary industries. Therefore, their view of tariff measures does not always coincide with ours; neither do their concerns and enthusiasm for cultivating a domestic secondary industry. Recently there have been signs that the woes of industry are being recognized and that our balance of trade in finished products can no longer be offset by increased sales of raw materials.

My ministry believes in a strong industry and in encouraging innovation. We believe it is essential to work closely with industry, and also with the federal government, so that our efforts complement theirs. We believe the approach we have taken, on sector analyses for example, to dialogue with industry will prove to be of great benefit to the economy and in the development of industrial strategies.

Members talked about capital outflow and I'd like to clear up what appears to be some degree of misunderstanding. AR red line story in the Toronto Star points out that an estimated \$1.5 billion is headed south into housing projects. While I don't want to dwell on housing for this particular group, I'd like to look at these dollars and where they are coming from.

The outflow from Canada is relatively small, because Canadian developers generally are able to find funds in the US for their particular projects. I understand that Canadian banks with substantial US deposits have become important intermediate or bridge financiers in the US market.

I can tell members of this committee that we have taken the opportunity to speak with the banks in regard to the outflow of capital and we are advised that exactly what is happening is that these banks already have tremendous amounts of money in foreign deposits with their branches in those countries.

[3:45]

They also have an ability, because of the credit position in Canada, to secure funds in markets other than the Canadian to underwrite or support Canadian industries moving into other world positions.

I think the member for Fort William is ignoring the fact that part of the Ontario industrial strategy is related to the upgrading of resources. The legislation in section 113 of The Mining Act and the incentives in The Mining Tax Act, are related to fostering manufacturing activity based on Ontario's mineral resources. The new Inco rolling mill investment is evidence, to some extent, of the success of this policy. The government is also optimistic that in the future Texasgulf will introduce copper smelting and refining operations in Ontario to enhance our industrial opportunities in the utilizing of this material.

At another point the member for Fort William referred to the ferrous metal casting industry. I think he quoted sources on the extensive research and so on being carried out by US foundry associations. There is, I agree, indication that the technical research programmes of the US foundry associations are superior to those in Canada. This is, of course, in part due to the size of the factories alone, but it should also be noted that this ministry, and I have a certain degree of pleasure in saying this, we took the initiative to bring together the ferrous foundry industry across Ontario, and I hope in Canada, to amalgamate its efforts, to unite them in trying to make this industry a more profitable one.

I think if you read their financial statements over the last number of years, they have not been profitable. Some of them ran very close to positions where they would have said, in the current period of time, it's best to close our doors and leave.

So I think we can say that we have brought together about 80 per cent of the Canadian industry, and I think it's to our credit.

Mr. Angus: Was that 80 per cent?

Hon. Mr. Bennett: Eighty per cent of the industries now belong to the association, which is in its second year of operation.

May I try and clear up a point that the member raised related to his own riding—the operations of Hawker Siddeley Canada and Hawker Siddeley's transfer of the production of the Tree Farmer, a tractor-type vehicle designed for work in the forest industry, from Thunder Bay to a joint operation between Windsor and Malton?

The member had the opportunity of meeting with the president of Hawker Siddeley when we were both present in Thunder Bay. I think the president described very clearly to you, Mr. Angus, as he did to me, that if the Tree Farmer operation had stayed in Thunder Bay one more year that division of the company would have declared insolvency and closed its doors. It no longer could maintain a competitive position in world markets; 80 per cent of its equipment was being supplied to the United States. The added costs of trying to bring equipment into Thunder Bay and then shipping it all the way back down into the United States did not make for a very logical situation.

Hawker Siddeley has spent half a million dollars in reviewing the situation and in transferring its plant operation into southern Ontario, adjacent to the US border. I might say that Hawker Siddeley had looked at a couple of American locations and decided to retain production as a joint operation here on the Ontario side. Ninety per cent of the component parts come from within a relatively short distance of their new factory location.

All in all I think we have to be realistic. If Hawker Siddeley had stayed in Thunder Bay with this particular operation, it would only have lasted for a relatively short period of time and the company would have folded its tent and left, from this particular manufacturing point of view.

I think the more important thing we must realize is that while there were 96 jobs involved in the operation known as the Tree Farmer, removal of this particular operation from the Thunder Bay factory now opens up a piece of the building which allows for a second line of double-decker rail car manufacturing, which will take employment up by something in the range of 600 people.

So all in all the company had said very clearly and distinctly, and I quoted this in a letter to Mr. Angus on October 14: "May I reiterate, employment will not be reduced in Thunder Bay." A statement that was given to both myself and the member by the president of the company indicated their employment will eventually reach 1,400, and that's to be anticipated some time next year. So while they have moved an operation they have also brought in somewhere in the range of 600 new jobs to that particular community.

I am not sure that I can add a great deal more, but I think we have to be honest and fair with ourselves, that if a company is going to go bankrupt in a particular operation, then obviously it is not going to stay.

The next item is related to a report from TEIGA on foreign control of Ontario industry, October, 1976. It goes on to state, and I am sure that if you relate to your remarks on page 18, you will find they are suggesting that the Treasurer (Mr. McKeough), had some other ideas. "I am sure you will find support for this." He is referring to a recommendation that the government establish an Ontario foreign investment review agency which was made by the Treasurer in the TEIGA report on foreign control over Ontario industry, October, 1976.

It stated, "The economy of Ontario and the nature of foreign control problems here differs from that of other provinces and thus one cannot expect federal policy on foreign ownership to be exclusively tailored to Ontario's needs. Consequently the province may have to become more explicit in formulating and expressing a policy of its own on foreign control of industries."

It is true that Ontario's economy and the needs differ from other provinces. By perusing that same TEIGA report it would be noted, and I quote, "There are more than a million people employed by foreign-controlled corporations in Ontario and more than one-half of these are engaged in high technology and capital intensive segments of the manufacturing industry. Local personnel are thus exposed to the sophisticated, managerial and productive techniques employed by multinationals and other international competitive corporations, and these skills eventually spread to Canadian corporations as people change jobs and move around the economy. Foreign-controlled corporations in the service sector also provide significant employment in Ontario."

One million jobs are important, particularly in a labour force of 3,912,000 people. These jobs must be enhanced, not jeopardized. On the contrary, there is need to create 116,000 new jobs this year to accommodate our growing labour force.

The member referred also to the address by the Treasurer of Ontario on October 6, 1976, and quoted the following excerpt: "We need a more positive and innovative attitude towards foreign investment and foreign technology which would not sacrifice our independence or our sovereignty."

I suggest this should be read in the full context of the Treasurer's remarks in which he stated "I spelled out my thoughts on this subject [economic policy for Canada] in some detail in my spring budget statement. At that time I noted that we needed a more

positive and innovative attitude towards foreign investment and foreign technology which would not sacrifice our independence or our sovereignty.

"During the coming decade we will need a great deal of capital investment to maintain the efficiency and competitiveness of our economy and to further improve our performance in these areas. I am confident that Canadians will provide the bulk of that investment and know-how but, just as some Canadians will seek investment opportunities abroad, we must maintain and improve the favourable investment climate in Canada."

The member for Fort William, Mr. Chairman, will recall that the Treasurer at that time was speaking to a group of visiting US investors, and was explaining and encouraging investment in Ontario.

As for creating an Ontario foreign investment review agency, I can hardly support a suggestion that would create a large agency which would duplicate one which already exists at the federal level. I can assure the hon. member that already my officials review very carefully all applications affecting Ontario which go before the FIRA board. We are continually in contact with the federal agency; the dialogue as far as I am concerned, has been adequate. It is maintained at the ministry level as well. I believe that the policy and procedures, as they affect the province of Ontario through FIRA, are to our credit. To establish another group would only add to the bureaucracy and would add to the cost of running government.

The next one I think is one of the more interesting areas that the members touched on and that was the trading corporations. Mr. Angus says, and I am quoting from page 19 of his remarks, "This year the province faces a whopping trade deficit in manufactured products of \$10 billion."

I would like to correct that statement. To determine the provincial trade deficit this year—I am referring to the year 1976—fourth quarter statistics are needed and since we are only in the eleventh month of 1976, I can assure you that we are not likely to have full details until sometime in February, 1977, at the very earliest. I think, if the member would look at the \$10 billion trade deficit in manufactured products, that is a trade deficit for 1975 not for Ontario, but for all of Canada. I will admit the trade deficit relating to the problems of Ontario for 1975 will likely be about half that—\$5.1 billion in more accurate statistics. We should keep it clear

that the larger figure relates to Canada and not Ontario.

In his opening remarks on Friday, November 19, the member stated that in his opinion Ontario should be actively engaged in setting up its own trading corporation. This is not a new issue; we have been actively engaged in considering the pros and cons for some time.

The importance of trading houses was highlighted in a study carried out by the federal government in 1972, which established that 20 per cent of Canadian exports was conducted through existing private trading houses. It was at that time that we in the provincial government undertook a series of in-house studies. We commissioned two independent consultants to look into the whole question of international trade, the role of trading houses and, in addition, whether the need existed for the establishment of an Ontario trading corporation.

During the period 1972 to the summer of 1974, discussions had also been held with the Canadian Manufacturers' Association and the Canadian Export Association on this very subject. Both associations were opposed to the concept and communicated their feelings to the federal government.

In November, 1974, a meeting was arranged at Queen's Park with the federal government to fully brief our federal colleagues on the findings of the trading house committee. The federal government mission was headed by Tom Burns of Industry, Trade and Commerce. It strongly argued against the establishment of an Ontario government sponsored trading corporation on the grounds of federal government philosophy, further balkanization of the provinces within Canada and the dangers of creating an instrument for the subsidization of exports that would contravene the GATT provisions. They did, however, agree that new initiatives by the provinces and by the companies were required to stimulate exports, and suggested that alternative methods be explored.

After this meeting it was decided Ontario should maximize the use of existing trading houses through education of the manufacturers with the services available from trading houses. An ad hoc committee was formed which included two civil servants and which was chaired by Mr. John Lee of Brascan. This committee organized the Trading House Conference which was held in Toronto in October, 1975.

Another initiative undertaken by this committee was to publish a directory of private

export trading houses in Canada. It listed the services of the 172 trading houses and the 96 world markets that they covered.

Results of the conference can be regarded as satisfactory in the respect that they made better known the services of trading houses to the manufacturing community. However, a questionnaire mailed to all participants would seem to indicate from the response received that much more needs to be done by the trading houses if they are to be successful in selling their services to the manufacturing community.

In March of this year, the Canadian Export Association wrote to all members of the trading houses and referred to the initiatives taken by the Ontario government. It announced it was forming a house committee chaired by Mr. Paul Rigby for the central region of Canada, and that it also was undertaking the formation of similar regional committees across Canada.

In Ontario, the idea of some government initiative in this area is not dead, and during this period we have had ongoing discussions with the federal people. But I must also clearly indicate to the committee that we thought it was important to try to bring other provinces into a corporation if possible. We had very long, drawn-out discussions with Quebec which in the final analysis have not proved to be to Quebec's complete satisfaction. I might say that I think up to a week ago today those discussions were still continuing. What will happen now, I am not quite sure. However, in view of the recent statements at the federal level, initiatives which may include a trading corporation are under active review.

Your comments are quite right: the federal Minister of Government Services on many occasions has made comments about a trading house corporation. But in talking to his colleague, Mr. Chretien, he has never cross-referenced his comments—either with Mr. Chretien or the Minister of Trade and Industry and Development. So the government policy is still to continue and see what the possibilities are. I might say in clarification that Mr. Goyer is referring more to a trading house corporation in government services purchases. In other words, all governments in Canada would be purchasing through a trading house or a central purchasing agency.

These recent developments in Ontario may have profound effects not only on private export trading corporations but on existing or contemplated provincial organizations. In view of this, we feel it would be questionable for Ontario at this time to take any initiative in

setting up another provincial body—thus further diluting and balkanizing Canada's international trade efforts—unless we felt it was essential.

[4:00]

With reference to the hon. member's statement relative to the trading corporations of Manitoba, Saskatchewan and Alberta—as you know, as recently as six months ago Alberta discontinued its export agency.

As for the Manitoba trading corporation, sales in 1975 were slightly better than half a million dollars. Future shipments would appear to be something less than a half a million dollars, which is for the year 1976. That is for Manitoba.

I think if we put it into its fair position, this activity should be compared with the ODC and what it has been doing to assist industry. One, the ODC has supplied finances to Ontario manufacturers over the past five years to the extent of \$38 million. This was for cases when the companies could not obtain funds elsewhere and all loans, I might remind the committee, are repayable. For each dollar loan, \$4 worth of exports were financed in each of these years. The net result was, there were \$400 million worth of exports financed which would not have materialized without this assistance.

In 1974, Ontario trade missions reported confirmed sales of \$21 million for the 38 trade missions involved, for an investment of \$165,000 by this government in air fares. This represents a return of about \$125 for each dollar spent on the programme.

If these sales were projected into employment, it would likely produce about 600 jobs since the average gross sales per job of companies participating in the trade missions was \$35,000.

It is not my intention as the minister to give serious consideration to the member's remarks that the trade commissions should be replaced by a trading corporation.

On page 35, Mr. Angus, down in the second paragraph, you were referring to industrial parks formations and then on page 24, down in the second last paragraph, "We have no effective developed strategy in this province and we have no land use strategy."

The hon. member for Fort William mentioned that we have no strategy for a redistribution of employment opportunities throughout this province and that we should develop a total industrial park or a state system. Is that the way you want it said?

Mr. Kerrio: I thought the inference was there but it was pretty rough.

Hon. Mr. Bennett: I would like to draw to his attention two specific programmes which are designed to have this effect. Firstly, there is the Ontario industrial parks programme to which I have referred in my initial remarks. As I stated, "Since the introduction this year of the municipal industrial parks programme applications have been received from nine municipalities requesting a total of \$3,740,000 in loans to acquire or service a total of 437 acres of industrial land. As of November 1, three applications have been approved for processing by the Ontario Development Corporation."

Again, I indicate to you they are all presently before the Municipal Board for its approval. These applications are from Perth, Sault Ste. Marie and Kingston for a total of 76 acres and loans of \$440,000.

Four applications are pending resolution of annexation applications, official plan amendments and sewage improvements.

Perhaps some members of this committee would like me to outline the highlights of this programme but I will only go as far as the purposes and I can introduce the others if you wish. The purpose is to support municipal initiatives in the development of serviced industrial land in those areas of the province which have experienced slow rates of growth.

The other specific programme is the Ontario business incentive operation which provides loans with incentive features to companies established in those areas. I trust you know that those areas happen to be eastern and northern Ontario—very clearly and very distinctly spelled out in our policies. The programme offers an opportunity for loans with some incentive features to companies establishing where industrial development is needed, at least in the opinion of the government and I think this is agreed to by the members in the opposition parties.

A comparison of the location of the new manufacturing establishments in 1970 and 1975 shows a significant and favourable trend—151 new manufacturing establishments were created in 1970, 49 per cent of which located in communities outside the "golden horseshoe" area. Last year in 1975, 147 new manufacturing plants were established with 67 per cent locating outside what could be called the "golden horseshoe" area.

Mr. Angus, you touched on a thing known as manpower and what we were doing in relationship to it. Although you realize, I am

sure, that it is not a direct responsibility of my ministry, we are vitally interested in this situation nonetheless. The staff of the ministry are actively involved with other ministries in the development of proposals and programmes related to such issues as the following:

Manpower industrial training strategy for the province—this relates to developing a frame within which the various training activities of the Ministry of Colleges and Universities can be co-ordinated in the most effective way with in-plant training programmes offered by industry and business and working under the umbrella programme of the federal Department of Manpower and Immigration.

Manpower needs—this small action group of representatives from a number of key areas within government will be working together to ensure that government programmes and policies are working in such a way as to ensure that the right people are in the right places at the right time from a job sense. Imperfections, so-called, in the labour market have been a major problem in the past. The manpower needs groups will be helping to identify these needs sufficiently in advance so that programmes and communications can be brought to bear to help resolve the difficulties.

It is the policy of this government that people should not be told where they have to work and what kind of job they have to take. It is up to the individual to make these judgements of what is best for him and his family. There is some evidence that current benefits through unemployment insurance and other social support programmes are such that there is insufficient incentive for individuals to relocate in areas where work exists.

As you know, the federal government operates an active programme to assist in the relocation of workers and families in areas where jobs exist in their field. Travel and resettlement costs are largely covered under this programme. Presumably the question of disposing of existing accommodation and securing new accommodation in the chosen community would fall under the purview of the Minister of Housing but I would suggest that this ministry would be concerned about the development of any programme which would accept, by government, the very heavy financial load which would likely be placed upon it if it were to engage in real estate activities related to disposing of existing accommodation.

This would likely require assuming some responsibility for financial losses which could

result in enormous loads on the taxpayers of the province let alone increased government involvement in the private sector and continued expansion of the civil service for these purposes.

You might be interested to know the federal Department of Manpower and Immigration programme pays for the applicant's travel expenses to the initial interview for the new job he is looking at. It also pays for his accommodation, meals and transportation. It will also pay the wife her travel expenses when she goes home-seeking and for orientation after his initial interview. On acceptance of the position, all travel expenses for all dependents, all moving expenses for household goods is paid for by the government and \$50 for each applicant, wife and each dependent is given to the applicant.

Another manpower-related activity is the community employment strategy programme. These activities are jointly co-ordinated with the federal government and are being initiated on a pilot basis in three areas of the province. If successful, they will be expanded into other regions. In essence, this activity places a major control on employment creation activities in a region in the hands of the community itself. Key individuals in industry, municipal government and the public assist in the implementation and co-ordination of federal and provincial programmes directed to improve employment.

Of great importance to all Ontario residents is the assistance and the direction which government can give to young people preparing to enter the work force. The ministry has been involved in a significant way in an inter-government group co-ordinating the development of more effective government programmes for career guidance and information. Such programmes will assist young people to choose careers and become more realistic about the problems which they will face during employment after they leave school.

I come to page 36 of this—it's 39 pages, I believe—which relates to the manpower and mobility programme. To conclude—the purpose of the Canadian Manpower mobility programme is to ensure that those workers whose skills are not in demand in their home area may take advantage of job opportunities in other parts of the country. Any adult resident of Canada can qualify for mobility assistance if unemployed, about to be unemployed, or is not able to use existing skills or training in a full-time job and has no prospect of finding work in his or her home area. This assistance is provided in the form of financial grants to enable the worker to travel in search of suit-

able employment, to relocate or take occupational training outside what is known as his home area.

Page 38—the roles and effectiveness of the Development Corporation—here I think you touched on something known as the Thunder Bay Ski Jump. The Development Corporation has been given the responsibility for encouraging and assisting in the development of diversification of industry in Ontario. It should be emphasized that the corporation acts only in the capacity of lender of last resort, where financing is not available from conventional lending institutions on reasonable terms and conditions, or where an incentive is required to achieve development project in a slow growth area.

The corporation's activities and the programmes administered by it are directed towards the need to provide financial incentives to encourage industrial development in slow growth areas. There is a lack of financing for tourist establishments on terms they can afford; a need to encourage Ontario manufacturers to increase exports and replace imports. Small businesses throughout the province have difficulty in obtaining financing on terms they can afford; there is a lack of conventional mortgage financing in the less developed areas of our province,—which I think you should be familiar with—there is inadequacy of venture capital financing by the private sector, and the need to encourage innovation and new technology.

The corporation has achieved its objectives by means of financial assistance programmes and advisory services. Financial assistance is provided in the form of incentive loans under OBIP—the Ontario Business Incentives Programme—to assist the development of a slow economic growth area, and in the form of terms loans which are tailored to meet a variety of secondary manufacturing development requirements.

The advisory services are provided to firms too small to afford the advice of professional consultants. They are offered guidance in financing, patenting, manufacturing and marketing, alternate sources of equity, sources of venture capital, and other private investment capital. They also assist inventors by evaluating new products and techniques, in co-operation with the federal government agencies, such as the Research Council and the Ontario Research Foundation. We also align them with some universities throughout this province.

The effectiveness of the Development Corporation may best be measured by the results of their activities, stimulating indus-

trial activity to encourage increased growth in the north and east. These two areas, which represent 25 per cent of Ontario's population, received 63 per cent of all assistance made available during 1975-76. Over the years they have received 91 per cent of the \$41 million in OBIP loans, 65 per cent of the \$46 million in tourist loans, and 50 per cent of the \$60 million in industrial loans. With regard to the development of these two areas it is noteworthy that we have a new industrial parks programme in which the Development Corporation financial support is used by municipalities in making available serviced sites for new and expanding business enterprises.

The corporation also plays an important role in the area of job creation and retention. As I mentioned the other day, I think that's important. The area of retention is the one that I think we've overlooked too long. As a result of loans approved during the year it is estimated that close to 4,000 new jobs will be created. This will bring the total to 50,000 since the Development Corporation has gone into operation. When the multiplier effect of these jobs on related service industries is added, the result ensures a substantial impact on employment at a time when unemployment is of chief concern.

In addition to the other incentives provided under the OBIP programme, the corporation provides \$6.8 million in direct loans under the tourist programme in 1975-76. This brings the tourist loan programme to \$44.2 million following an expansion of the programme in mid-1973. Since then the corporation has assisted 63 motels, 143 resorts, 61 campground and trailer parks along with numerous marinas, restaurants and other tourist attractions.

The role of the corporation in the field of exports is not intended to duplicate the services offered by the federal Export Development Corporation, the chartered banks or other financial institutions. The aim is to supplement their services. During the year the corporation approved \$4.7 million in export support loans. However, many of the loans previously approved continue to be recycled, resulting in a dollar volume of exports much greater than the original amount of the loans approved. It should be noted that each dollar lent financed more than \$4 of exports each year. Since the start of the programme in 1972 the corporation has approved \$38 million in loans. This represents more than \$400 million of exports from Ontario that would not have occurred without this assistance.

[4:15]

This export financing has been good for shipments to such countries as the United States, Mexico, Brazil, Venezuela, France, Belgium and Holland, West Germany, United Kingdom, China, Japan, Australia, New Zealand, Saudi Arabia and Israel.

We have the responsibility, within the corporation, for small business incentive, and this has been given to Canadian owned ventures. The small business programme and the venture capital programme are tailored primarily to meet the needs of the small businessman and the inventors. Without such assistance many of these operators would have been unable to borrow, or else have found it necessary to undertake loans carrying excessively high interest rates or give up varying degrees of ownership.

During the year the corporation has provided \$2 million in assistance under these programmes, which brings the total assistance to small businessmen to \$17 million.

On the Thunder Bay project, the government at the moment has about \$537,000 invested in it. We are going to see that it continues to operate during the coming year with some additional financing. There are presently two competitions scheduled for it, one for January 28, 29, 30 of 1977 sponsored by the Shell Oil Company Limited. There will be a further competition on March 19 and 20, on which we are presently—not we but the board of directors of the ski jump—negotiating with a sponsor.

In addition to that, 5 members of the United States ski jump team will be housed for a period of time in Thunder Bay using the facilities for practice and training purposes.

Now I'll go to the Liberal critic, sir, if I might be permitted. The first item touched on by the member had to do with Minaki, the second was Maple Mountain and the third, I think, related to pricing ourselves out of the tourist industry, particularly with the United States market—is that correct?

Mr. Eakins: I think that's correct.

Hon. Mr. Bennett: If it's not either of those things, I'm sorry.

On Friday last the hon. member for Victoria-Haliburton (Mr. Eakins) made reference to the current operating budget of \$400,000 for Minaki. I'd like to point out that this amount includes moneys for a golf course and the Minaki ski hill, both of which I might add are now operating and open to the public. I might also add that the Minaki ski hill came about as a result of an ARDA grant made

some time prior to the provincial government becoming the owners of the lodge.

I might also mention that the Holst Point Lodge is now open on a year-round basis. It can accommodate more than 50 people and revenues are already expected to exceed operating costs.

The \$400,000 also includes expenditures for insurance, security, Hydro, fuel, taxes, audit, repairs and maintenance. These represent fixed overheads which are not likely to reduce, but must continue if our investment to date is to be adequately protected until phase two of construction can commence. Not only do we have a golf course, a ski hill and Holst Point Lodge already operating, but we have an Ontario-DREE commitment to include upgrading of the Kenora airport to satisfactory levels for jet service, improvement of the Kenora-Minaki road which is to service this lodge as well as communities on the way in and development of a new provincial park at Pistol Lake.

Mr. Chairman, I might stop at this point and mention that the Pistol Lake park is now being restudied. As a result of forest fires last summer, it is believed by both federal and provincial agencies that maybe the destruction by the fire would not justify any investment in developing the park at this time.

This improvement to existing infrastructure, together with the Minaki Lodge development, will serve as a year-round recreational resource capable of attracting large numbers of new visitors to northwestern Ontario. The board of directors for Minaki has begun to explore possible ways and means by which phase two of Minaki can be completed. Projected costs are being developed for evaluation. The board is also investigating possible managerial arrangements for the new complex.

I would like to suggest, as was recommended by the member for Fort William, that further questions relating to the subject of Minaki be delayed until Thursday, December 2, when the subject once again comes up for discussion before the public accounts committee. That decision rests entirely with this committee.

The member also mentioned the Maple Mountain project in his comments. The cabinet has instructed that no further work proceed with this project until such time as title to the lands in question has been adequately established.

The matter of title is complex and is currently under investigation by the government. The Attorney General (Mr. McMurtry) has been before the court and I understand

the Indian bands, as well as the government, are to put their position forward as far as claims are concerned. So I have nothing further to report on the project except that our ministry at the moment stands back from it.

The member also asked me for my position on the commercial industrial properties and railroad rights of way, golf courses, lodges and other varied things as they relate to deliberations of the Blair commission. As he knows, the Blair commission has not reported yet on its recommendations, but I can assure members we will take a very strong position in defence of the tourist industry when the report is filed, depending of course on what the report might say.

We are much aware of the fact that higher assessment on some of the resorts would drive them completely out of business and one full industry would disappear from the commercial sector of the province of Ontario.

On golf courses—and I express a personal view here now rather than trying to get into a government policy position—I thought the position of the government allowed municipalities to underwrite, or get involved in agreements with golf courses, whereby they get a pegged assessment for a number of years with accumulation of taxes not paid or forgiven, developing as a debt against the property as far as the municipality is concerned, the debt being payable if at some time in the future they decide to sell it or take it out of use as a golf course. I would hope, without trying to prejudice the Blair commission's position, I would hope that would likely be the case. If it is not, obviously golf courses will be in great jeopardy of being able to continue to survive, whether they be public or private, in the province of Ontario and that would be detrimental to the tourist industry.

Mr. B. Newman: Mr. Minister, you will have to convince your Minister of Revenue (Mr. Meen).

Hon. Mr. Bennett: No, he will have to convince me.

Mr. Cunningham: You should read his latest speech.

Hon. Mr. Bennett: Let me put it this way, Eric: I don't know whether Mr. Meen belongs to a golf course or not, but I think there are a few other people in the Legislature who do.

Mr. Cunningham: I am just glad that you don't have some of the people from that

ministry stuck in yours or we would really be in trouble in this ministry.

Hon. Mr. Bennett: Thank you.

Mr. Chairman, the member for Victoria-Haliburton also asked me about the success of the recent mission to Europe led by the Premier (Mr. Davis) and myself. In my statement to the Legislature on November 19 I outlined the trip and what we thought it would accomplish. I will just go over a couple of the points.

We went there because we saw a decline of overseas investment in Canada during the early part of this year. We decided to meet the European investment advisers, the institutional portfolio investors, industrial and commercial investors, and foreign government officials, to allay what we believe is a misunderstanding they might have about the current federal and provincial legislation affecting international investment in this community.

I think we have been successful. In the seminars in the four cities we attracted more than 500 people and the Premier and I had the opportunity of addressing something in excess of 800 industrialists and investors. We found our audiences to be uniformly enthusiastic about Canada and its growth potential.

Again I say that there could have been some change of attitude since last Monday, but I hope it will not be for any great length of time.

Mr. Kerrio: Was there real concern about the land transfer tax?

Hon. Mr. Bennett: I can get into that just in a second. The Ministry of Industry and Tourism specialists and I answered some 165 written questions, along with the continual flow of serious relevant inquiries in both the seminars and in private interviews that we held.

The response was most encouraging. Two important British firms have been in touch with us. One is deciding to establish here and the other we are assisting in clearing some major hurdles that have been put in the way; and not only our legislation. To date, and I think it's significant, a total of eight firms have visited Ontario since our visit and six more are anticipated in the near future.

I might also say that I dealt with three different German firms in the last relative short period of time, people that either the Premier or I had the opportunity of meeting while over there.

We think this speaks well of the mission. As a follow-up to the mission, the ministry is

considering bringing a number of people here to Ontario next year at our expense, which we think will be good for the investment community.

I don't think we will have to wait until then to see results. I think overall the mission has been very successful and the results we are now experiencing will be rewarding.

We had some assistance from the minister in Ottawa, Mr. Chretien. In the review of the foreign investment legislation he will reduce the amount of paperwork required, he will streamline the system. We are discussing phase two with him. We think that phase two is causing some of the major problems of today.

Europeans have a different opinion as to the federal legislation. They think the federal legislation now is designed to induce US investment over European investment and I had not realized how they came to that conclusion until they explained it. In the legislation, the second phase, if a company was presently located in Canada and they were acquiring the assets of a company which was related, in a related industry—if it could be shown to be related—they did not need to go through FIRA. Of course, the Europeans immediately jumped to the conclusion that since 80 per cent of the foreign investment in place in this country today is American investment, US investment, the legislation seemed to favour them because they would have greater relationship to companies than anybody else. That was not the intention of the Act. Mr. Chretien, I think, will make that clear in his remarks to them and we have done likewise.

The one in respect to land transfer tax did come up a number of times and I think with some changes there—mind you, there has been full forgiveness of the land transfer tax where we had industries and commercial structures coming in and putting themselves in a meaningful position in employment development for Canada. We have forgiven them that land transfer tax. If it is straight speculation or buying shoreline in Georgian Bay or Lake Ontario just for their own pleasure, I am afraid I have no sympathy for them and they pay the transfer tax as they should. I suppose if I was down in the Belleville area or the Bay of Quinte I would be more supportive of that position.

We did meet with people in relationship to the automotive industry and the pact and I don't wish to get into it any further other than saying it was very productive. I think the industrialists who went through us in the automotive field had some interesting meet-

ings with people at SAAB, people at Volkswagen and two or three of the other European automobile manufacturers.

You referred to the bill, the new Ontario Securities Act and you expressed concern about the delay in reintroducing this bill which has only received first reading. I shall be pleased to consult further with Mr. Handelman to see exactly what has happened and determine the reason for the delay and when we have it we will get back to you.

The last area was one you dealt with, about the flow of private direct investment which was on page 6 of your remarks. Alarming newspaper articles and speeches about foreign and Canadian capital fleeing Canada and seeking better opportunities have tended to undermine the public's confidence in the immediate future of the Canadian economy.

Some of the concerns appear justified and remedial action should be sought to improve conditions for new investment in Canada. It should, however, be borne in mind that it was in 1971 that the net inflows of private direct investment started to decline and that already in 1973 and 1974 outflows from Canada were larger than inflows.

Whether the trend in direct investment flows is attributable to more nationalistic policies pursued by federal and provincial governments since 1971 or merely reflects the degree of Canada's saturation with foreign investment is open to question.

It is, however, useful to bear in mind that throughout the 1970s the stock of foreign direct investment in Canada continued to grow fast because reinvestment levels in foreign-controlled companies were healthy.

The most recent statistics on Canadian direct investment abroad, covering the first two quarters of 1976, show no signs of extraordinary outflows of capital from Canada. The alarmist news circulated in 1976 that production capital is fleeing this country can so far not be supported by statistical evidence.

It may, however, be that some companies squeezed by labour costs are right now in the process of transferring production facilities to the United States. If this is the case, the result of such moves would show up in statistics in 1977.

On the other hand, some evidence is available that net foreign direct investment inflows into Canada have slowed down to a trickle both in the first and second quarters of 1976. Again, the net figures have been heavily influenced by the transactions constituting repatriation of assets, such as the takeover of

Canadair Limited by the Canadian government from General Dynamics of the United States, or the purchase of the assets in Saskatchewan of Atlantic Richfield Canada Limited by the Saskatchewan government.

Nevertheless, the low net investment inflows in 1976 combined with widespread business uneasiness about mounting production costs in Canada as well as the bureaucracies of the Foreign Investment Review Agency and the profit-limiting regulations of the Anti-inflation Board should be viewed by us with some concern.

You were talking on page 7 about the decentralization of ODC policies, I believe. Development Corporation policy is decentralized throughout the province by means of the existence of three distinct corporations, being the Ontario Development Corporation, the Northern Ontario Development Corporation and the Eastern Ontario Development Corporation.

Each corporation has its own board of directors who reside in the jurisdiction represented by the corporations. In addition, the board of the Ontario Development Corporation includes members of the Northern Ontario board and the Eastern Ontario board. The policy committee of the Ontario Development Corporation comprises two representatives from each of the boards of the three corporations.

[4:30]

The effect of the foregoing arrangement is to have uniformity in policy throughout the province where it is deemed necessary, yet it allows variation in policy to suit the needs of the three regions represented. An illustration of this is the OBIP programme whereby projects in northern Ontario are eligible for assistance up to 90 per cent of the total cost, in the east up to 75 per cent and in southern and central areas up to 50 per cent. In ODC only new operations are eligible on a very selective basis, while in NODC and EODC, expansions also qualify.

The Development Corporations have primarily channelled their assistance towards the secondary manufacturing industry and other industry closely allied to secondary manufacturing. This support is rendered where companies are unable to obtain financing elsewhere on reasonable terms and conditions. It would seem that when healthy secondary industries are established, service industries can generally obtain financing from conventional lenders. For every job created in secondary industry, several more jobs will result in the service sector. Financing for the extractive

industries is also generally available from conventional sources and consequently the development corporations have not played a role here.

Emphasizing the financing of secondary industry where funds are not available on reasonable terms and conditions results in the corporation placing substantial amounts of its assistance in the outlying and slow growth regions of the province where the conventional lenders are more reluctant to invest—particularly to provide financing on a long-term basis. As I mentioned to you in my opening statement, the slow growth regions of the province are the north and east, which contain 25 per cent of the province's population. They received 63 per cent of total assistance made available by the development corporations during the 1975-76 fiscal year.

Indeed, money is not merely made available on a lender-of-last-resort basis in these slower growth areas, but high priority is given to making it available in the form of inducing industry to locate or expand in these regions. Towards this end, under the Ontario Business Incentive Programme, the Development Corporations offer loans with no interest or principal payable for a period of up to five years. This approach allows some breathing room for borrowers to overcome problems faced when new business is created or an expansion is made, particularly in those regions of the province where small markets and vast distances make economic feasibility difficult.

In addition to assistance for secondary industry, high priority is given to support the tourist industry where tourism is of major importance to the economy of the area. Once again, the benefit of this assistance mainly finds its way to the northern and the eastern parts of the province. I would like to draw to your attention that since our tourist programme was expanded in June of 1973 it has received more resources than any of the other programmes administered by the Development Corporation. On opening day of these estimates, mention was made of the high cost of holidaying in Ontario. By offering financing to the tourist industry at reasonable interest rates, this government has taken positive steps to offset rising costs faced by the industry.

Along with assistance to secondary manufacturing and tourism an important priority is given to supporting exporters who encounter difficulties in financing exports of capital and consumer goods which have a significant Canadian content. This programme is not intended to duplicate services as I have already said offered by federal agencies or

banks, but rather to supplement the services provided.

Because the Development Corporation acts as a lender of last resort, small businesses or new businesses are significant recipients of available funds, because they do not have the collateral for loans or an established record of successful operation to make them attractive to conventional lenders. It is an overriding consideration in the Development Corporations' programmes to assist the small businesses which form the backbone of the economy of this province.

You asked about financing and some of the workshops that we have held. These workshops were organized in 1975, following a survey across the province of the problems facing small businesses. This survey was carried out by the service industry branch of my ministry. It revealed that many small businesses were urgently in need of financial management training. Twenty-four workshops have been held and at each a questionnaire was distributed to the participants, for their opinions and comments on the effectiveness of this programme. The questionnaire response was over 60 per cent with 640 questionnaires received.

Summary tabulation of these questionnaires follows and I'll just cover the communities: Timmins 23 questionnaires were received; Windsor 13; Thunder Bay 47; Barrie 26; St. Catharines 27; Peterborough 30; Cornwall 35; Kitchener 36; Kingston 29; Pembroke 25.

The financial planning workshop 1976 spring series indicated the following tabulations:

Sarnia 21; Brockville 22; Sault Ste. Marie 24; Kenora 18; Fort Frances 22; Ottawa Nepean township 49; Ottawa Gloucester township 30; Geraldton 8; Niagara Falls 20; Belleville 31.

The 1976 fall series tabulated questionnaires; Sudbury 33; Red Lake 15; Dryden 18; Smiths Falls 36.

In most cases a very high percentage indicated the workshop was most useful. They felt they had corrected some of the missing parts in their business operation and they felt the business of the workshop should continue.

Concluding, the NODC—John, you asked how we got the information disseminated to the small communities or to the businessmen in those communities. NODC has field offices in Thunder Bay, Sudbury and Timmins. Consultants located at Thunder Bay, Sudbury and Timmins are available there at all times. In addition the Thunder Bay office makes visits every two months to Fort

Frances, Atikokan, Kenora, Dryden, Ear Falls, Red Lake, Geraldton, Nakina and Marathon.

Interview trips are made out of Sudbury to Parry Sound, Sault Ste. Marie, North Bay, Bruce Mines and Blind River. Consultants from Timmins make monthly trips to Kirkland Lake, and the tri-town area.

In addition, visits to Cochrane, Kapuskasing and Hearst are made every two months. On a third basis they visit Wawa, White River, Chapleau and Hornepayne. Further interview trips are made to Moosonee twice every year. These meeting days are widely advertised in the local newspapers.

The corporation's consultants also carry out speaking engagements at various community colleges, service club meetings and ministry seminars.

The EODC has field offices in Ottawa and Kingston. The corporation places a consultant in each of the four areas on a regular monthly basis to meet with prospective applicants. These interviews are held on the second Thursday in each month in Pembroke and Smiths Falls and the fourth Thursday in each month in Cornwall and Peterborough.

The meeting days are widely advertised in the local newspapers. The corporation's consultants also carry out speaking engagements at service clubs and community colleges.

The ODC conducts regular scheduled visits to Windsor and Kitchener by consultants from its London office. Interviews are scheduled by the local ministry field offices. In addition, members of the Development Corporation's consulting staff participate on a regular basis in the small business seminars held by the ministry to advise of the assistance available under the corporation's programmes.

It should also be noted that many references to the corporations have been made through the offices of local bank managers, lawyers and accountants—they're an interesting group—who are familiar with the programmes administered by the corporations.

An important source of reference to the development corporations is the small business division of the ministry. Recent referrals have been averaging over 40 per month.

In response to your inquiry about degree of co-ordination of policy with other ministers—this ministry has long recognized the importance of close working relationships with other ministries in the area of tourism development. A liaison committee composed of executive directors and directors of tourism and the Ministry of Natural Resources meets regularly. A similar function has been established with the Ministry of Culture and Recreation. Close co-operation between this ministry and

others has provided the information base upon which much of tourism and recreation planning in the province is done. TORPS, which is a tourism, outdoor recreation planning study committee is one example.

This ministry and the Ministry of Transportation and Communications meet regularly on matters of signing and mapping. Together, with co-ordination within the province, we have close working relationships with our federal government counterparts and with our colleagues in the province of Quebec. The Heritage Highway promotion programme is the result of such co-operation and I say I hope it will continue.

Very important to us is the improving relationship with the private sector through trade associations and such bodies as Tourism Ontario. The Ontario travel association programme provides us with regional liaison with businessmen and the municipalities.

May I say that we have the opportunity through our resources policy field and, on occasions, the social policy field, to have constant input at that level with ministers representing areas which overlap or who become involved in certain programmes and development by the Ministry of Industry and Tourism. Oh, yes—Mr. Angus, on page seven, made reference to Manufacturers Life. First of all it is an international company. Basically, its assets outside Canada are held to cover its liabilities outside Canada. Each year the funds are invested in accordance with the liability requirements. London Life is basically a Canadian Company in London, Ontario, and has virtually no assets outside of this country. Figures quoted for Manufacturers Life must be for total investments held at December 31, 1974—not, as inferred, the amount of money invested during the year. Manufacturers Life total for the end of 1974 showed \$1,410,898,000 in Canadian investments, including mortgages and real estate, etc., as against \$1,080,329,000 in US investments.

On vote 2101, ministry central office programme; item 1, main office:

Mr. Angus: Mr. Chairman, I wonder whether the minister could advise the committee whether or not he agrees with the tax deferrals for processing of natural resources in Ontario? I'm referring to the statement of the Minister of Natural Resources (Mr. Bernier) last December.

Hon. Mr. Bennett: My position on that would be a cabinet position. Very clearly I think it's an inducement to make the industry tick more effectively on behalf of employment in the province.

Mr. Angus: Did you or your ministry have any particular involvement or input into that decision?

Hon. Mr. Bennett: We would likely have been consulted. The involvement would have been basically between the Minister of TEIGA and the Minister of Natural Resources.

Mr. Angus: Where do you draw the line between the jurisdiction of the Ministry of Natural Resources and the jurisdiction of Industry and Tourism in terms of that sector of industry that is resource extraction related?

Hon. Mr. Bennett: It is entirely his responsibility.

Mr. Angus: From start to finish?

Hon. Mr. Bennett: Yes.

Mr. Angus: But obviously there's a point where it becomes a secondary application.

Hon. Mr. Bennett: You asked me where we stood on the extraction industry or, I take it, the wood industry, which are both—

Mr. Angus: No, I said "based on." After it is taken out of the ground and it is smelted does whatever happens then become your responsibility? Or do they go into—

Hon. Mr. Bennett: I don't know what you mean, "my responsibility".

Mr. Angus: Where does the ministry get involved? Obviously there is a division in responsibilities.

Hon. Mr. Bennett: For example, Canada Steel would be a responsibility if they needed assistance or something through my ministry. The primary resource industries remain with the Minister of Natural Resources. Downstream responsibilities—if there's need for policy or decisions relating to any area of that operation—would then be referred to us.

Mr. Angus: Then if a company or an industry was established to process ore, would it be able to come to your ministry for assistance, as opposed to the Ministry of Natural Resources?

Hon. Mr. Bennett: Let me get this straight. What you're talking about is assistance now?

Mr. Angus: You mentioned financial assistance for the steel company, or even administrative services, support services, what have you.

Hon. Mr. Bennett: We'd look at the smelting industry for example as being primary—

we would not be involved. Obviously the capital investment or loans we could give to them would be minimal in relationship to their total capital programme. So they might come to us for other things—for example if we had some part to play in location, which we have with one or two smelting firms.

Mr. Angus: When you were in Europe on your recent trip with the Premier (Mr. Davis), were you looking for direct or portfolio investment from the Europeans?

Hon. Mr. Bennett: We were looking for direct investment. We'd gone the portfolio route for a long period of time. I'm not an economist, but there are some who think that the portfolio investment situation could be directly related to some of our inflationary problems.

Mr. Angus: Could you elaborate on that a little?

Hon. Mr. Bennett: I said I'm not an economist.

Mr. Angus: I realize that.

Hon. Mr. Bennett: That was a statement—I only was quoting. But I think if you would take it up with some of the more astute business people in the field of financing, like bank managers—if you are not offended at talking to such people—

Mr. Angus: Never.

Hon. Mr. Bennett: I think you'd find that—but I'm going to tell you, I'm glad I have some friends who are bank managers. I need them on the odd occasion.

Mr. Angus: How many Canadians has your ministry assisted in purchasing either total or partial control over existing foreign-owned firms in Ontario? Has your ministry assisted anyone?

Hon. Mr. Bennett: We have assisted some. It would take a pretty interesting review on some of them. We've given a lot of advice and guidance to them. Just off the top of my head, we've been involved in the financing of one or two. But to give you an exact figure today—it would be a period of study that would take—

Mr. Angus: But you have done some then?

Hon. Mr. Bennett: Oh yes, we are doing it with three right at this moment.

Mr. Angus: I commend you on that. How do individual Ontarians learn about that aspect of the programme?

Hon. Mr. Bennett: Through any of our information officers.

[4:45]

Mr. Angus: But it would only be if they go and ask, would it not? There is no promotional programme to say: "Come to us and we will help you buy Canadian," so to speak.

Hon. Mr. Bennett: Our own programme indicates clearly, so does our information services, the things that we can do for them. We have been into specifically saying: "We will help repatriate this company or repatriate that company." Our services have been if they wish to establish a particular operation we are prepared to assist, either as advisors or through the development corporations in financing.

I just think you have to be careful when you start talking about advocating repatriation, that you don't find, all of a sudden, you have yourself into a real hornets' nest.

Mr. Angus: On what terms?

Hon. Mr. Bennett: Well, there are some times we find employee groups wanting to buy a company and they haven't got a dime, not a plugged nickel. Then it becomes a rather significant position. The government virtually owns all the shares of the company through its development corporation. We have advised them. We have discussed it; we are discussing this subject with three of them right now.

Mr. Angus: Again you also have situations where the Development Corporation does own the shares because of repatriation.

Hon. Mr. Bennett: That's right. And as somebody else said, if we hadn't been a heavy mortgagee in the deal we wouldn't have been the sole owner of the shares at this moment either.

Mr. Angus: In terms of what seems to be a difficulty, not only in industry but in housing and in everything else, of obtaining financing, particularly because of the cost of it, would you not agree that it would be appropriate either to find some way to assist industries in terms of their capital needs, either through the development corporations as they stand now or some other kind of—I carefully use the word "incentive."

Hon. Mr. Bennett: I would like to know more specifically what you are referring to. You are dealing with such a broad situation that one would be foolish to walk on that quicksand because he is going to go down.

I think if you want to get into some specific areas or relate them to me I would be glad to try and respond.

Mr. Angus: Okay then. One of the comments I made in my remarks on Friday related to the estate aspect of industrial parks, the provision not only of the servicing of land but also the land and the buildings, and the government in turn renting it or leasing it to prospective industries in order to reduce their capital cost requirements. Now that is one example, maybe we can tie it to it. Is that kind of incentive necessary in today's industrial situation?

Hon. Mr. Bennett: I think the industrial parks programme has some of the incentives you are speaking of.

Mr. Angus: It has some of them. I am just wondering if more are necessary.

Hon. Mr. Bennett: Well I suppose what the municipality would really love to have us do is come in and buy up all the land and take the flak for the rezoning, take the flak for having the industrial park next to Mrs. Smith's \$30,000, or \$40,000 or \$70,000 home, take the responsibility of putting the industries in, take the responsibility of doing all the financing; and they will tell you when you can and when you can't bring somebody into the park. I still think there is a responsibility at the municipal level. I think on the programme we have gone with, while there is no doubt it could be improved, I think we have to be realistic, there are only so many dollars for certain programmes. We cannot undertake financing all of the responsibilities of municipalities in industrial parks.

If you are going to make it a workable project, and I said this at the time I introduced the legislation, as I think the Liberal critic will recall, there has to be some commitment by the municipality. If there is no commitment by the municipality, then it falls entirely on my shoulders. I don't think that this ministry should take unto itself the responsibility for 800 and some odd communities in Ontario and establish an industrial park for each one of them; and thereby Eddie Sargent could say to me, if we put one up in Owen Sound: "It is your problem, you get the ministry in there too."

Mr. Eakins: How many applications have there been on that, while you are talking about it?

Hon. Mr. Bennett: There are nine official applications which will come to something

about \$4.5 million—or rather \$3.75 million. That covers about 450 to 500 acres.

Some of them are having difficulty trying to get zoning changes. Some haven't adequate sewage to the site at the moment, that is, through the regular street programme, and until that is accomplished—

Mr. Eakins: The programme is for acquisition and also for the servicing?

Hon. Mr. Bennett: It can be for buying the land; it can be land that has been bought by the municipality and they want to service it; or it could be for buying and servicing, but thereby the percentages vary from what I know about them. The nine are Carleton Place, Perth, Prescott, Brockville, Sault Ste. Marie, Smiths Falls, Kingston, the township of Gloucester and Kapuskasing. They are the nine presently before us.

Carleton Place has deferred pending further study by the municipality; Perth—the loan has been approved and it is now before the Ontario Municipal Board; Prescott deferred pending further study by its municipality; Brockville at the moment has withdrawn the application, they wanted to look at some other financing; Sault Ste. Marie—the loan has been approved and it is before the OMB; Smiths Falls deferred pending further study by the municipality.

I am sure for anybody who knows eastern Ontario problems that has been a very contentious issue. In the last municipal election it caused the whole council to resign and have a by-election of the whole council. I would hate to talk about those elections at the municipal level on December 6.

Kingston has been recommended to the ministry for a loan and it is under final review by EODC. The township of Gloucester has deferred pending further study by the regional government of Ottawa-Carleton; they have a complication where financing has to go through the regional government rather than through the individual municipality. Kapuskasing's submission was not completed, it has gone back for further work by our regional director and TEIGA.

Mr. Eakins: There is no cut-off date on this is there?

Hon. Mr. Bennett: No, it is an open-ended programme; that is within the limit of funds or the funds that are allocated by the Treasurer for this specific project.

Mr. Angus: Mr. Chairman, and through you to the minister, I understand there is some

form of reorganization occurring either within the strategic planning branch or including them. Can you inform the committee as to what exactly is happening, the purpose and the projected results?

Hon. Mr. Bennett: We have amalgamated the industrial branch and the trading division.

Mr. Angus: These are ones that are in other votes.

Hon. Mr. Bennett: These were two executive areas of the ministry, and as of early this coming year they will be amalgamated into a division of industry and trade. There are some other responsibilities that have been peeled off to some of the other divisions.

We think that as a result of some of my international travels and as a result of discussions with others we have to have a closer relationship with the industrial and trade situation in foreign operations. There seemed to be a very close relationship and by keeping them separated we did not seem to be gaining the significant impact we wanted.

Mr. Angus: Are there other areas within the total ministry that are in the process of reorganization? Are there aspects that are either coming together or being separated?

Mr. Fleck: Yes, it is really more a realignment, if I can put it that way, than a reorganization. The blocks, essentially, remain the same. Some of the reporting relationships vary.

The industry and trade combination you mentioned is not a downgrading of either, I think it is a recognition that, especially in foreign offices, there are really two major roles being played. One is the role of trying to increase trade, exports from Ontario. Another very important role is what we call industrial development—trying to increase both investment in Ontario and technology transfer, licensing arrangements, joint ventures, a whole variety of activities that help to make our industries stronger.

This combined role was being played and we were able, really, to bring these two elements together, along with the foreign offices, which are the ones that were mainly involved in that, under one head. That is what is happening.

The other aspect of this realignment is to take the various research portions that were in the divisions and just bring them together as one unit, reporting directly to the deputy minister.

I think the third major area in terms of this realignment is that the Ontario offices

that are mainly involved with providing direct assistance to medium and small business, will now be augmented by a consulting group that will help them provide that assistance under the direct supervision of the executive director of small businesses; so that they have not only the offices but they will also have the resources, in terms of the people providing consultant service, within that wing.

No programme has been eliminated and no programme has been expanded. It is just that the various boxes, the reporting relationships, have been changed; that is essentially it. It is a realignment rather than a re-organization and those are the elements of it.

It doesn't affect any of the particular votes. I mean the same programmes are going on. But I would be pleased to comment on any of those as they come up in the estimates.

You talked about what impact, if any; in most cases I don't think it will be significant.

Mr. Angus: The special retail management programme that you mentioned in your opening remarks—what is the total cost for that? And if you could indicate to me whether or not the retail management programmes are done in-house?

Hon. Mr. Bennett: Mr. Chairman, if I can interrupt so that we keep some degree of understanding of what we are doing. We are working on vote 2101. That will come under another vote.

Mr. Angus: Okay.

Hon. Mr. Bennett: We are now working on the central office—

Mr. Angus: Mr. Minister, are you concerned at all with—at least what I feel is—a great deal of expansion in terms of takeovers by existing foreign owned and operated companies in Ontario? Or do you welcome that kind of—

Hon. Mr. Bennett: I am not so sure that I agree with your statement. I am not so sure that there is the great takeover you are speaking of.

Mr. Angus: It is said that up to 80 per cent of foreign—

Hon. Mr. Bennett: The percentage of foreign ownership by Americans has reduced, I think, by one or two per cent over the last year or so in Canada. It is going down.

Mr. Kerrio: You could have been told that by your researchers.

Mr. Angus: Do you mind, sir?

Mr. Kerrio: Certainly I mind—that is why I am here.

Mr. Angus: Okay. What is the percentage of foreign money coming into this province that is used to go through existing foreign-owned companies to expand into other companies?

Hon. Mr. Bennett: I doubt if anybody, federally or provincially, could give you that figure. You have to know what the reinvestment programme is from profits made by American or foreign-owned companies in this land. And a lot of those we don't know about.

Mr. Angus: But this is money coming in—it has been virtually narrowed to foreign country investment—

Hon. Mr. Bennett: I am not sure that I understand. It is strictly money coming in? Because that is not where I think your fears should be.

Mr. Angus: That can have dried up.

Hon. Mr. Bennett: It has virtually gone. In the first two quarters of this year, I would doubt if we surpassed \$50 million — new money coming into Canada. But existing in Canada—

Mr. Angus: Okay. Then in terms of existing foreign-owned companies, who are using their Canadian profits or Ontario profits to purchase other either related or unrelated businesses or firms in the province, and thereby expanding their control—does the minister think that kind of thing is good for the economy or bad for the kind of nationalistic attitude that a number of people in Ontario have?

Hon. Mr. Bennett: First of all if we are talking about unrelated industry, it has to go through FIRA to accomplish that takeover.

Mr. Angus: Unrelated?

Hon. Mr. Bennett: If it is a related industry, or if it can be shown to be a related industry then it is not compelled to go through FIRA. So that resolves the first point. We do know that for those that are not related we are not sure about all the other aspects of the development programmes they might be going through—expansion included.

The second point was do I agree with it? Well, it is great to be a nationalist, but I also have to become known as a realist in life. We are not buying enough Canadian sources for funding and developing industry and still there are 116,000 new jobs needed by people

in Thunder Bay and various other communities in the province. If it can be accomplished through foreign investment in Ontario, or under the controls and conditions set down by the federal or provincial government of the terms of operation under the Commercial Act—under Mr. Handleman's Corporations Act and so on—I think those are the safeguards. In other words you set the conditions of the ball game, and if the investor can play by those rules and accommodate the needs and the requirements of the input to Canada, then I think we should be satisfied.

[5:00]

I said on a programme the other day that Canada is not the only country in the world that has an abundance of foreign investment. But no country ever developed on strictly internal investment—the United States included. The Americans at this very point in their history have 37 or 39 bills before either state Legislatures or the national House that will bring in an Act similar to FIRA. Again, let me make it very clear: it's not to stop foreign investment coming into the country. It is to allow it to come in a way that we have some understanding who's buying and selling what, where, and for what price—so we know who's got it.

If we want to become nationalists and to be self-centred and say that we're only going to buy and sell our own industries and develop them, then let me tell you that the quality of life that you're enjoying in this province and in this country today will certainly diminish.

Mr. Angus: You mentioned that those companies that are going to purchase an unrelated industry have to go before FIRA. If a company decides on its own that it is purchasing this other firm, and it feels it's related and, therefore, it feels that it's exempt from FIRA, how does FIRA and, through FIRA this ministry, become aware of that process?

Hon. Mr. Bennett: You start running into the situation—number one, if there is any doubt at all it's up to them to clear it. The law would be on the government's side—if there is an offence made then the deal is undone. We had one already known as Westinghouse.

The second thing is, there are little things known in life as competitors who may not altogether appreciate you as a multi-national corporation from some foreign position coming in here and taking over an industry which they don't think is related. They might report you to the federal government agency to have it reviewed. The final decision in that

case, of course, rests with the minister at the national level. We would be consulted if it did come to a FIRA operation.

Mr. Angus: If, say, a foreign-owned company purchased, prior to FIRA, a smaller unrelated company and then that subsidiary company decided to expand or to purchase a related company, would that be completely legal within FIRA? And could it occur without having to make representation to FIRA?

Hon. Mr. Bennett: Let me start again. If the company was in operation in Canada prior to either phase one or two of FIRA being implemented—is that what you're saying?

Mr. Angus: That's right. And already owns a subsidiary.

Hon. Mr. Bennett: It is already in place in this country, and wishes to expand that operation or wishes to acquire what is considered a related industry, first of all, they would have to, under phase two—

Mr. Angus: Excuse me. Prior to FIRA they had already acquired an unrelated subsidiary. It's that subsidiary—

Hon. Mr. Bennett: It's no longer unrelated. It's a subsidiary of a company, so it can be no longer considered unrelated. The parent company owns two companies. At the time they bought it one was making cars and the other now is making boats, so they're unrelated. The fact is they're now held by the same parent company, so anything that relates to either one of those two sectors of their industry in Canada could be considered related.

Mr. Angus: Okay. Say that a company received permission to buy an unrelated firm after FIRA came into existence, and then later on down the line that subsidiary decided to purchase another firm.

Hon. Mr. Bennett: Related or unrelated?

Mr. Angus: Either.

Hon. Mr. Bennett: Then we're right back to where we started in the first place.

Mr. Angus: All right, thank you.

One of the things I mentioned in my lead-off was the encouragement of existing Canadian firms to invest in Ontario. The suggestion was made that you and the Premier (Mr. Davis), if he wished, would be better off going down to Bay Street. I'm wondering if you have had many meetings with Canadian or Ontario money people, or existing Canadian

or Ontario corporations to convince them to invest in Ontario? Have you made suggestions of the type: "Look, here's a company that you might be interested in"—those kinds of things?

Hon. Mr. Bennett: First of all, let me go back to FIRA. When FIRA has an application made to it by the target company, in other words if I'm Westinghouse and you want to buy me out, I'm the target company so now I have to apply to the government to allow for your takeover, is that right? The target company is the one? So we're into the situation that if they come up with all of the conditions that the government demands, it can happen.

But I tell you frankly, the information that comes to me in that FIRA application is confidential. I'm not in the position that I can go out and say to AYZ company, "Here are the assets of this company which is up for sale. Why don't you buy it as a Canadian?" That is not a privilege that's extended. The information I have, as the provincial minister, is very selective information because it tells the whole operation of the company—the shareholders, the profit picture, the investments, where the funding is coming from and so on.

It would be great if I could walk out and say, as the information, as the major turn-downs on Westinghouse became public information, because it was ballyhooed around by a number of people. General Steel Wares did their homework, give them full marks, and they got the deal stopped up because they, as a Canadian operation, were prepared to buy it. Even though that shouldn't be taken into consideration in making a decision at FIRA, it's very difficult to sit, as a FIRA man, and look at what this thing is going to do for the good of the country, knowing very well that there's another industry in the country that's prepared to take over the assets.

A number of other things developed in that sequence, but that's basically what has happened there; you just don't walk out. We've talked to people on Bay Street and they still invest heavily in this province, extremely heavily; and reinvest, through the profit positions of these companies, which is a very nice word to have in our economy today, profit. Even though the AIB and some others in society may not agree with it, the fact is that without the profits we're not going to have jobs.

Those people have been reinvesting, very substantially. Again I come back to it, when you talk about the outflow of money to the

United States, a lot of them are doing it on the tremendous credibility they've developed in this country and in this province.

So it's not a matter, and let's not misconstrue it or twist it, that Canadians and Ontarians have stopped investing in their own province and in their own country, they have not. But there isn't sufficient flow of risk funds or venture funds by Canadians today. We want a better return on our dollar invested than Europeans will take on their investment or Japanese or some communities or countries. So these are all things that make this a very difficult time we're going through.

But I again say to you clearly that they have reinvested. I have met, at all levels, with the people in the banks, from the chairmen of the boards right down through; the people who are responsible, as vice-presidents or general managers in various sectors of the province of Ontario. Our ministry people are with them quite often to keep them advised and appraised of some of the things that are developing in those areas of their jurisdiction.

The banks have been a fairly good instrument for us in promoting Ontario industries and in getting information. We would have liked to have been able to use the banks to a greater extent in what we call guaranteed opportunities, guaranteed loans. There are some banks which do not prefer guarantees by government, because it's very difficult to foreclose on a government, their reputation might be somewhat tarnished and they didn't get—

Mr. Haggerty: Use a provincial bank.

Hon. Mr. Bennett: The provincial bank doesn't have the authority.

Mr. Haggerty: Well, change it.

Mr. Angus: Okay; I appreciate the statement regarding FIRA and the confidentiality, but does your ministry ever, by way of direct contact with firms which you know might be having a bit of trouble or be looking for a buyer; or even say, across the board: "Listen, if you're thinking of selling to an American see us first and we'll try to find you a Canadian client"?

Hon. Mr. Bennett: We have many companies across this province that we know through our field operations, our 22 field operations; we have an idea and understanding of their financial conditions and position. On many of them we know what their desires are for long-range planning. We have a number of them who come to us and say: "Look, I am the sole proprietor, I am 65

years of age and I'd love to get out of business; could you find a Canadian or find a buyer for my assets?" So we do work on a two-way street. We're very careful, and you'll appreciate why, that we do recommend to you as an investor that that's a good company to buy, because if it doesn't work out, don't hang us for your problem. We won't marry the two people, we will bring them together and we'll let them go through it. If there's some advice or guidance that they need in completing the deal or making some other arrangements, or if the development corporation can be used in helping to overcome some of the difficulties we will assist them as much as we possibly can.

Our officers in the 22 field offices cover upwards of 20,000 industries a year in the province of Ontario, selective calls. In addition to that, of course, there are a number of people who come to see us about their problems. So we have a pretty good cross-section and understanding of what really goes on.

Mr. York: My I add to that? For your information, sir, you may not be aware that within the division of industry, under Mr. Garland, there is a mergers and acquisitions branch which is a repository of precisely the things to which you're referring. We have a listing of people who want to sell and people who want to buy. Obviously this is kept on an extremely confidential basis, but it is becoming a much more active branch than it was, say five years ago.

Mr. Angus: Sort of like an internal trade corporation.

Mr. York: Yes, that's true; but it is a very active area.

Mr. Angus: Very low commission rates.

Mr. York: Low commission rates, sir; zero.

Mr. Godfrey: May I ask, just on that information, is that information you have used for planning your strategies? If you can see that industry is planning on pulling out of area X, do you have any strategy to persuade them to stay there? Is that within your purview?

Hon. Mr. Bennett: Are you saying to me, "Force them to stay; keep them there"?

Mr. Godfrey: No, never force.

Hon. Mr. Bennett: We would discuss with them what their situation is. As I indicated with the Hawker Siddeley situation, whether the member agrees or not, you can talk until you're blue in the face but when the share-

holder doesn't see it on the bottom line, something in black, he's not too impressed. His first reaction is to move it out. We will discuss it with them, because sometimes it comes into a matter of sourcing of materials. It sometimes gets to a very interesting position on the management of companies, which is what we find out in a great number of cases. We help some to retain their position in the particular community by input at the management and administration level. But I don't know whether I can go any further on the—

Mr. Godfrey: The information then gives you an idea as to what is going to happen with regard to industrial development in several key areas across the province. Would you ever make up reports that give an overall picture as to what is going on and some of the trends we're going to see?

Hon. Mr. Bennett: It certainly gives us a lever or handle on the situation; we know why. Mind you, I'd say in a great number of cases we know ahead of time what some of the problems are from plant visits by our people. We try to keep updating it.

As an example, there is Canadian Coleman Company, which we helped some time ago in exporting some of its goods. Through certain opportunities in Canada, development in one of the lamp areas that was undertaken here served their world market. All of a sudden the labour contracts they negotiated were costing Coleman over a dollar per hour more in Etobicoke than in their parent plant. So they moved away because they couldn't compete any more in the export market with the excessive labour costs they were incurring, or social benefit costs they were incurring.

The Coleman people, with our people, looked into the possibility of developing other areas of their industry with some new gadgets, which I understand they brought on stream. Now even though they laid off roughly 100, there will be somewhere around 70 people back in this new sector of their industry. It was a matter that through our ministry and their research and so on, we discovered a particular thing that they were equipped to do. It has now brought back some employment; I can't say brought it all back.

Mr. Godfrey: Thank you. Just pursuing this a little further: When you have this overall picture of what is going to happen, particularly in the industrial belt, and you sense there's one area going a little soft

as far as industry is concerned, and it may be for a variety of causes as you've just pointed out, you then engage in conversation with management and see if there's something they can do. Do you go to the municipality or the region and discuss it with them as well? Are they aware of the fact—

Hon. Mr. Bennett: Generally.

Mr. Godfrey: —that there is a sword over their head?

Hon. Mr. Bennett: If they have an industrial commission or representative he is usually pretty well informed as a result of plant visits by our personnel in the field, because they work closely together. If they don't have an industrial commissioner, then they'll likely indicate to one of the elected officials who has the responsibility for industrial parks or industrial potential what is going on.

Mr. Godfrey: So that if I were to direct a question to you formally and say the Oshawa-Whitby area is losing employment every day, you would be able to give me a pretty good idea of what industries are planning on pulling out?

Hon. Mr. Bennett: We'd be able to tell you what industries indicated to us that their profitability is becoming questionable.

Mr. Godfrey: And that information would be available?

[5:15]

Hon. Mr. Bennett: It may not be made available publicly, no, because it's confidential to us. Obviously these fellows come in to us or we go in to them and you build up a very close relationship with your field workers. Businessmen—even with the biggest of companies—are not inclined to open up all of their facts and figures because they are afraid of what their competition might be. If I have a competitor out in Oshawa, for example, that is a little soft in the financing area, it may not be a bad time to put some real pressure on the market position and drive him to the wall. So that information comes to us and we try to use it as best we possibly can in advising people on industrial development.

Mr. Godfrey: I can appreciate that it would give an advantage to another business competitor and the information is private. But if you have ploughed funds into that company as an incentive to go there, or if the municipality has made special provisions

for that company to go there, do you then feel you are quite ethical in keeping these matters secret?

Hon. Mr. Bennett: In terms of the loan—other than the announcement of the loan, all the other facts and figures related to it are confidential information, yes. Again, we work very closely with these companies, and I think the information as best we can give it in a statement to municipalities and others has been given. We couch our replies in such a way that they don't disclose the man's financial difficulties, if he has any.

Mr. Williams: Point of order, Mr. Chairman. I think this goes beyond supplementary questions—those being asked by this questioner. There are other people down on the list to ask questions.

Mr. Godfrey: Mr. Chairman, if you would undertake that we could come back to this in the future. I still think it's supplementary—the minister himself opened it up.

Hon. Mr. Bennett: I don't think I opened anything up. I think it was opened by the member for Fort William.

Mr. Angus: I have one final question. Mr. Minister, can you indicate the difference in terms of being capital intensive, between foreign-owned companies and Canadian-owned companies, in terms of percentages? What is the percentage of capital investment from foreign-owned industries as compared with capital investment by Ontario-owned industries or Canadian-owned industries?

Hon. Mr. Bennett: I wouldn't know but I'll give you one example. The petrochemical industry is a capital intensive area. That's got to be the finest example I can give you. I don't know what value a breakdown would be to you and I don't know what value it would be to anybody else, it would just take an astronomical number of equations to come up with that.

I'll give you one example just to clear up some things. Foreign investment has enabled Canada to achieve a very high standard of living. Where is that money invested? Well, in the manufacturing end, about 57 per cent of the investment is foreign and it ranges right from a high, in the rubber products, of 93 per cent down to a low, in the agricultural, of 11 per cent foreign investment in those industries. For another example, the petrochemical is 76 per cent which I think is easily understood, because it is owned by multi-national companies, of not only American origin, but others.

Mr. B. Newman: Mr. Chairman, I want to ask a few policy questions of the minister. Now that Senator Vance Hartke of Indiana has been defeated in his attempt to get back into the US Senate and with a change of administration from Republican Jerry Ford, who represented the state of Michigan and as a result would have had a little more interest as far as the automotive field was concerned, with President-elect Carter coming from the southern states, how do you foresee the auto trade pact and its relationships to the Ontario economy?

Hon. Mr. Bennett: I reported to the House some time ago that there are two committees working—one in the United States and one in Canada, and both headed up by government agencies of those countries. The one in Canada by Mr. Arthur should be completed and ready for review by those groups that wish to review it—I'm referring mainly to the provincial and federal authorities—I would think somewhere between the middle and the end of December. The American report should be in about the same time, if it is not already in. I would that if it is in it has likely been held back now for a further review by the new administration.

I will tell you honestly I am very concerned when I hear people say let's open up the auto pact agreement and see what we can do to benefit Canada. Thirteen years ago when we got into the auto pact we pretty well traded away all of our ace cards—technology, development and planning. It was pretty well given back to the American-controlled companies. We get into the assembly business, and we are in a rather interesting position in the assembly of automobiles and so—

Mr. Haggerty: That's where the jobs are.

Hon. Mr. Bennett: That's where they are, I don't deny that, sir.

Mr. Haggerty: That's what I meant.

Hon. Mr. Bennett: Just a second, let me finish and then if you want to make some side comments, fine. The fact remains that if you are asking us where we sit at the moment I think we have to look at the situation—and I talked to Mr. Chretien since the American election on this very issue—and I think that we have to be very cautious about being stampeded into opening up the auto pact for further review and discussion. Mr. Carter would appear to have developed a rather interesting relationship with the UAW during the last presidential campaign. I think you will recall, particularly considering your

home constituency, the UAW has been one of the forces in the United States that has constantly said, "The automobile pact should be opened because we are not, as Americans, getting our fair shake out of this deal."

We will have further discussions with the federal authorities in relationship to the Arthur report when it is completed. At the moment, I am not convinced that I should recommend to my colleagues in cabinet that we run out tomorrow and start asking for a reassessment of the auto pact. I think we might be better off to look for an appendix to the auto pact to correct some of the things that we think are disturbing to the Canadian economy. Again I caution my colleagues in the Legislature that if we were in full control of the auto pact it wouldn't be such a bad situation. I don't think that we can really say the Canadians have that control of it.

Perhaps you've got some suggestions for me for things you think we should be doing. A couple of you here are in communities which are greatly affected by the auto pact.

Mr. B. Newman: Very much so, Mr. Chairman.

Hon. Mr. Bennett: I would be interested in knowing what you think we should do.

Mr. B. Newman: I have noted that your deputy minister spoke in my own community some time ago and he made the comment that now was the time for a full review of the auto trade pact. Are you still of that same opinion?

Hon. Mr. Bennett: I'll let Mr. Fleck speak for himself, but I think what we are referring to is the Arthur report; that is going to be a review of the auto pact, as we see it.

Mr. B. Newman: You are looking upon the report as a review? Are you in full agreement with what your deputy said, that we should have a full review of the auto trade pact, or is your deputy only trying to say that the review should be in the auto parts industry where we consume 12 per cent of the auto parts but we only produce six per cent of the auto parts? Now, with offshore production of auto parts, it puts us in Ontario in a more and more disadvantageous position.

Mr. Fleck: If I could just comment on what I was saying there, it is a very important subject to the economy of Ontario. It's one, actually, that should be under constant review, but this is a major review that would be taking place as these two major studies are completed, the one in the US and the one in Canada. We are concerned about sort of the

profile of the industry, and you mentioned the concern about the auto parts sector.

At the present time we get more than our fair share, if you put it that way, of jobs on the assembly side and we are getting less than our fair share of jobs on the parts side. One needs to look at not just any one sector, one does need to look at the total. Certainly one area that we should be quite concerned about is in trying to make sure that we are getting our percentage of total jobs in the auto industry, whether it's in assembly or in parts, in relation to our consumption of the total North American market. Certainly that is one area that we are concerned about and will be doing an extensive review of and will be putting resources into doing that.

This is a key and a major area, but still, as the minister has said, the thought that we would be able to modify the agreement in any short term, especially with the change in administration at the present time, is highly unlikely in that this is something that has to be worked out among all the parties concerned.

Mr. B. Newman: I agree with your deputy. I think that if we consume 12 per cent of the US market then we should have 12 per cent of the jobs in relation—

Mr. Fleck: Over the whole industry.

Mr. B. Newman: Over the whole industry, yes.

Mr. Fleck: If you remember, when I gave that particular talk it was a short time after I came into the ministry and I was taking my lead from the minister in that particular case, as I would be at any time.

Mr. B. Newman: What is the ministry doing to encourage a greater share of the auto trade industry with his officials? We are by far more productive in Ontario than they are in the US as far as even the auto trade parts industry is concerned. How are you encouraging the development of the auto trade industry so that we could get a greater share of the market?

Hon. Mr. Bennett: You are referring to parts?

Mr. B. Newman: In the parts industry.

Hon. Mr. Bennett: Volkswagen is a good example, General Motors and Ford have been in to see us, and we have talked to Chrysler, and it basically is going to be a matter of persuading the "big three" or "big four" in a greater participation in the parts operation. Let me tell you, we are now getting into a

really interesting discussion. Everybody is starting to throw figures around. The auto parts manufacturers have a whole series of figures. The federal government has a series of figures. General Motors has another equation and so has Ford.

Mr. Haggerty: So has the American government.

Hon. Mr. Bennett: Yes, they are all throwing figures around to the point that I am not sure that anybody is really positive as to who is doing what. We are claiming a deficit position and the Americans claim a deficit position. So we go back and forth. I talked to Mr. Bennett of Ford Motor Company not so long ago and he doesn't agree with some of the figures the auto parts people are throwing around. So what we are really back to is—and let me make it very clear—we are not only discussing any more the original parts manufacturers, but there are some after-sales figures that they want to get involved in, where there is a very lucrative market position. We will continue to have discussions. The federal people are also talking with the automotive industry in persuasive terms.

The ministry has a meeting with the Premier (Mr. Davis) slated for early in the New Year to sit down after the Arthur report is in and go through it to see exactly what we can do to bring some of the imbalances back into balance. As the deputy has said, in relationship to finished cars—that is, the assembly line—if you take a percentage of the market that we consume and the percentage of the market we supply, we have a very good shake in that area. The auto parts, according to the facts given to us by the Auto Parts Association, would seem to leave us somewhat short.

Mr. B. Newman: Are you telling me that we have a fair share of the market in the auto parts industry?

Hon. Mr. Bennett: In the assembly.

Mr. B. Newman: In the assembly, yes.

Hon. Mr. Bennett: That is what I said.

Mr. B. Newman: Yes, but not in the auto parts industry. The auto parts industry is essentially concentrated in independents and not in the "big three."

Hon. Mr. Bennett: No. Independents are only accounting for something in the range of about 11 per cent to 12 per cent of market position. That is all. The "big three" ac-

count for about—if I recall and I am just trying to remember the figures—two-thirds of the market, international suppliers account for the next portion of it and then the local parts, Canadian, is about 11 or 12 per cent.

Mr. B. Newman: Then there is a big market in the auto trades field for the independent?

Hon. Mr. Bennett: Except that we see a change in policy by the "big three" where more and more they are taking things back in-house to manufacture and produce. One of the original parts manufacturers in Windsor had a very significant contract with GM for brake cables, and GM had a plant down in the southern United States which was sitting virtually idle. They paid the Ontario producer the price of his dyes and moldings and everything else, paid him whatever it was to break the contract, and took it and put it back in-house because they were sitting idle. That is something that is difficult to try and—

Mr. B. Newman: When we talk figures we are always talking dollars and cents generally, when we are talking of imbalances. Have you ever tried to analyse that and change that into job opportunities or man-hours instead? On the man-hours principle, if we use that, are we in as disadvantageous a position, as far as the auto parts industry is concerned, as we are in the dollar value? For example, Mr. Fleck made mention of the 12 per cent of the total North American parts production consumed by us yet we produce only six per cent of that total. That is on a dollar value. How about on a job ratio?

Mr. Fleck: I don't have that specific figure. We may be able to obtain that. I believe figures are available in terms of the number of people employed, not job-hours but certainly in terms of employment. Again, as I mentioned, the feeling is that we are on the positive side of that same job figure—not just dollar figures, on the assembly side—and we are not on the positive side when it gets to the parts manufacture, although the parts manufacture, as I understand it, can break it into three areas, as the minister has mentioned.

[5:30]

One is the in-house captive business that the main automotive manufacturers have. Another is the business of the large multinational, very large highly capital intensive aspects of the parts business, frames and very major segments, and then the other would be that which is largely done by the indepen-

dents, and that is the 11 per cent that was talked about. Our indication is that we don't fare too badly in that independents' area. Where we fare badly is in this large, multinational, major investment type parts, where we are not getting our share.

Mr. B. Newman: Then shouldn't we really be looking at the whole picture instead of dollars and cents, whether we are exporting our job opportunities to the US or other countries by purchasing from them? I think, rather than simply talk, we are going to have to have concrete figures so that we can prove our position to any nation that we deal with. I don't refer only to the auto industry. I think it has to have a balance in every bit of trade that we have with that nation, including nations in Asia and any part of the world.

If we are going to export to them a product that involves, for the want of a figure 1,000 man-hours of labour, then we will import from you products that will have only 1,000 man-hours of labour, then after that we may require some type of protection for our own industry. I only throw that out, and I have been talking about this for maybe 12 years now, hoping that someone would listen and let's forget about dollars and cents and let's think in relation to the individual who is being denied a work opportunity as a result of heavy exports of products that have a minimum amount of labour and importing products that are labour intensive.

Hon. Mr. Bennett: May I just interrupt here? That would be fine if, in Canada, you were the makers of your own destiny. That would be great, but we have the GATT agreement which sets the standards, tariff-wise and so on, of imports and exports from countries. You can get bilateral agreements between national governments such as we have in the auto pact, and such as we have with other countries in certain products, but right now the Canadian government is in Geneva going through this very, very difficult task of trying to find world acceptance on certain tariff positions and certain goods being imported and exported.

I suppose it would be great if you could get down to discussing man-hours of labour, but we take one step at a time. I wish I could get some of the free traders of the federal government—whom I think Mr. Chretien is getting rid of—to become more realistic. The day would come when you could wipe out tariffs in this country. Industry has to have some degree, in a small domestic market position, and where the

technology may be as good but the volume of production is a detriment to its cost, we have to try and face up to reality.

You talk about the man-hours, which is a good point. The fact is the auto pact wasn't written in man-hours, it was written in dollar percentages, and so on. I doubt if you could ever induce the Americans, the second part of the deal, to look at the man-hours rather than dollar volume. Having guessed at it, from what the American union position has been, I don't think they would be too anxious to run to support us.

Mr. B. Newman: I see where we may have problems with this in developing countries because we have to encourage them.

Hon. Mr. Bennett: To the detriment of our own people?

Mr. B. Newman: We have to encourage certain other nations in the world to—

Hon. Mr. Bennett: To the detriment of our own people?

Mr. B. Newman: We do that, don't we, by exporting technology to them, and really to the detriment of our own people. We have to look upon that as a humanitarian point of view, but I would say don't overdo it, that's all.

Hon. Mr. Bennett: That's why the textile industry across the province in the man-made fibres is completely shot, because we have been doing everything to induce Third World nations coming in here at an extremely reduced cost of manufacturing and so on, and now we have Millhaven, Kingston, Cornwall, Long Sault, and I can mention several other plants right here in Ontario—forget about the ones in Montreal and various other points—that have had to shut down, virtually curtail their operations because they can no longer compete. That's why I say it's to the detriment of our own people that we have to do all these things.

Mr. B. Newman: Well, I qualified my statement. I said "within reason," because if any developing country is going to try to monopolize the world market and are going to ship everything they can to us to the detriment of our own industry, then we are going to have to look upon it from a completely different point of view. But when we come into the auto trade industry, we are essentially dealing with the United States, Brazil, Europe, and that's just about it as far as the auto trade pact is concerned. We may have the importation of vehicles and parts

from the Asiatic market, but the others are essentially American or American controlled, and I certainly would like to see another look at the whole picture in an attempt to see if we can balance off job opportunities between nations that we deal with. What are you doing concerning the sales tax on production machinery? Are you going to recommend to your colleague that it be raised to seven per cent?

Hon. Mr. Bennett: No, I am not going to recommend that. I am going to recommend that we continue the forgiveness programme. I think it's difficult to try to put a tax back on production equipment at the same time as trying to look for new foreign investment. That's another detriment to bringing foreign investment into the province.

Mr. B. Newman: Then the letters that we are getting from parts manufacturers we can fairly well answer by saying that you will not impose a sales tax on production machinery?

Hon. Mr. Bennett: I wish I had that authority, sir. I wouldn't impose it. That's right.

Mr. B. Newman: But you aren't going to recommend to your cabinet colleague that it be reimposed?

Hon. Mr. Bennett: As I said at this committee last year and as I have said several times at manufacturing meetings and so on, I support the continuation of the forgiveness of the seven per cent sales tax on production equipment in the province of Ontario, and I think that my words might have fallen on ears that were open.

Mr. B. Newman: So you are going to recommend it to your cabinet colleagues tomorrow night—

Hon. Mr. Bennett: More positively, I have already recommended it on several occasions.

Mr. B. Newman: On several occasions, so we can rest assured that you and your cabinet colleagues are not going to put a seven per cent sales tax—

Hon. Mr. Bennett: You can rest assured this minister is not going to do it.

Mr. B. Newman: There is one other issue that I wanted to raise with the minister and that concerns assisting industry relocating within a community by first providing financial assistance to communities for railway relocation studies. As you know, in my own community, the railway cuts up the community and as a result you have got to re-

locate either the railways or you are going to have to relocate industry and by studying first the advantages and disadvantages of relocation, that can have a tremendous economic impact on the expansion of industry within the community.

Are you prepared, Mr. Minister, through one of your agencies, to provide funding to a community so that it could implement these studies? Are you prepared to recommend to your cabinet colleagues through the Minister of Transportation and Communications (Mr. Snow) that railway relocation studies be implemented in other communities from an industry point of view to enable industries to develop more rationally than they are today?

Hon. Mr. Bennett: No, my ministry will not finance studies for railway relocation or relocation of other facilities. It does not fall within the terms of reference of the ministry nor within the funds allocated to us for the ministry. Secondly, in the field of Transportation and Communications, the minister has already undertaken certain studies across the province in some communities. I think Thunder Bay is one—

Mr. B. Newman: There are four coming out—

Hon. Mr. Bennett: —Niagara Falls—I forget. There are three or four of them.

Mr. B. Newman: Niagara Falls, Brantford—

Hon. Mr. Bennett: It is their intention to do it on a progressive basis, to start looking at it. I would like to think that at the conclusion of the report if there is a necessity of moving the railways, the railways would take the report seriously.

Mr. B. Newman: The railways would take the report very seriously if you, Mr. Minister, would provide communities with some financial assistance so that they could conduct these studies and point out to you how, in the better interest of the community and the better interest of job opportunities, that industry be located here, there and there as a result of railways being relocated.

Hon. Mr. Bennett: Now you're putting a second qualification. We can tell you where industries would likely be best located in Windsor or any other community across the province of Ontario as it relates to wind conditions, soil conditions and all the other things. But if you want to say as it relates to a railway, that's the railroad's responsibility, and that's why they've been working

with the Minister of Transportation and Communications. CP seems to wind up with rather interesting profit at the end of the year. I'm sure they can afford to get involved in some of the studies. As for Canadian National, I suppose if my name was C. D. Howe I could say what's another hundred million in their deficit position, because they seem to pile it up anyway.

If they have a responsibility as a national railway to the communities, and I think they do, there's nothing to hurt them in getting into some of the financing undertakings as well—and maybe advancing with a little more speed than they have been doing in the past.

Mr. B. Newman: Mr. Minister, you make reason to me. I accept what you're saying. The only thing is, we can expedite these studies and we could probably provide more job opportunities if you assisted communities. That's all. I'm just trying to get the job done quicker for you.

Hon. Mr. Bennett: The Minister of Transportation and Communications is already doing that. Do you want a second agency to get involved, so there would be utter chaos and confusion?

Mr. B. Newman: There wouldn't be chaos if you provided the community with the funds so that they could implement these studies and then come up with better things for your own ministry as far as job opportunities are concerned.

Hon. Mr. Bennett: The municipality somewhere along the line has a responsibility for paying to upgrade and improve its own community the same as Ottawa, or Pembroke, or Renfrew or whoever else it might be. Let's not always shove the responsibility of financing something back on somebody else's shoulders.

These communities want to change. They want to change. If they want to change, they're going to have to bear some of the cost of doing that change. Because ultimately who gains? The community.

Mr. B. Newman: All right. Okay, Mr. Minister, what you say is true, but look at it—

Mr. Haggerty: Not necessarily. The railroads gain by it.

Hon. Mr. Bennett: Oh, CP doesn't do bad through Marathon Realty when it takes over the rights of way.

Mr. B. Newman: All right, you provide funds to develop industrial parks, don't you?

Hon. Mr. Bennett: We will loan funds.

Mr. B. Newman: All right, you will loan funds then for the development of industrial parks. Why do you do that? Because you see some advantage to the community in doing that, don't you?

Hon. Mr. Bennett: We do it for a very simple reason, because municipalities and local politicians—having been one I think I can speak from a very knowledgeable point of view—really do not rate an industrial park as high on the priority list for establishing in the community as they do for the ball diamond or the hockey rink or the swimming pool. One is a much better vote-getter than is the other.

That's been one of our problems, trying to induce municipalities to put serviced industrial land in marketable position, so when the need comes they can do it instantly or as quickly as possible. What I've found as I travelled across this province, and I don't think it's any great shakes, I know Pembroke and other communities are in the throes of putting an industrial park together, but they've been sitting there with virtually no serviced land, and so if an industry decided to set down there tomorrow, it would take them maybe a year or two.

We brought the programme in for the industrial parks development because it was an inducement, a stimulant, to get them to open up new industrial parks that could accept industries on a moment's notice. As I said earlier, there are nine municipalities that have applied. There are a number of others that have inquired, quite a number of others. In that programme, again, let's remember, we're not talking in the hundreds of millions of dollars either.

Mr. B. Newman: In railway relocation studies you're not talking in hundreds of millions of dollars at all for a community. As far as industrial parks are concerned, I see a number of success stories in my own community as a result of industrial parks.

Hon. Mr. Bennett: Sure, but your community is a little—wouldn't you agree with me?—slightly different in its outlook on industrial development than some other communities, because your community is to a great extent dependent on industry, and big industry. So there is a different attitude right from the word go.

Mr. B. Newman: I won't argue with you there at all, Mr. Minister. I wanted to bring these points to your attention, and we hope that—

Hon. Mr. Bennett: I appreciate it.
[5:45]

Mr. B. Newman: —you and your officials, when they come into our community, smile gently, listen to our counsels, and provide to the people in the community the things that they think are reasonable. Windsor doesn't ask for—

Hon. Mr. Bennett: Much.

Mr. B. Newman: —anything unusual at all.

Hon. Mr. Bennett: You haven't been talking to Jim Moore lately.

Mr. B. Newman: They ask for just the fair share.

Hon. Mr. Bennett: You haven't been talking to Moore lately, I can see.

Mr. B. Newman: Mr. Moore is a very capable fellow and it's nice to have one of his ability representing the industrial promotion commission, because we know that when he talks to you people he talks from fact and he is not persuasive simply because of a personality but because of what he is trying to sell for the community.

Hon. Mr. Bennett: He's been successful. Look at the industrial park he opened up with Champion Spark Plugs and all the rest of those companies out there. It's amazing. I give Moore full credit and I thank him for the time he spent in the industrial organization itself.

Mr. B. Newman: Mr. Chairman, that's why I bring the railway relocation studies to the minister's attention, so we can have an acceleration of what the industrial park has done for the community by relocating railways in the communities so that you serve a community better.

Hon. Mr. Bennett: I would have thought with all that new tax money coming in from that new industrial park that they could pay for the studies with no trouble whatsoever.

Mr. B. Newman: All that new tax money, Mr. Minister?

Hon. Mr. Bennett: Champion Spark Plugs must be paying a—

Mr. B. Newman: They aren't paying taxes on the other property now. So what we got on the one hand, we lost on the other hand.

Hon. Mr. Bennett: Some day get me the assessments of the two properties.

Mr. B. Newman: Mr. Minister, the industrial promotions commissioner in my community works hard for all of this, and remember he's got a lot of hard heads to convince back over here.

Hon. Mr. Bennett: Especially with his own MPP.

Mr. B. Newman: Thank you, Mr. Chairman.

Mr. Kerrio: Just on the subject before we leave it, if I may, I would ask the question, Mr. Minister, are you aware that there has been a withdrawal of federal funds from rail relocation studies in these principal areas? I'm excited about Bernie's thoughts about bringing into being on the provincial planning level the strategic planning of our industrial subdivisions.

Hon. Mr. Bennett: Are you asking a question or stating a federal Liberal policy?

Mr. Kerrio: I would like to ask you, do you have any idea where the rail relocation study starts now with the federal funding?

Hon. Mr. Bennett: No, I would not. But if they had withdrawn federal funding not a better fellow would be asking the question to go down to Ottawa and correct the situation.

Mr. Kerrio: No, that's not my jurisdiction, but I would like to do, I'm excited about what Bernie says—

Hon. Mr. Bennett: You and Bernie are very convincing with those fellows in Ottawa.

Mr. Kerrio: I'd like us to take the initiative right here on the studies at least.

Hon. Mr. Bennett: You see, that's the great system we get into. The federal government starts out with a programme and when it gets to a certain point it says, "It's time to get out and now the province should look after it from here on." Let's get things straight—

Mr. Haggerty: You wait so long to get into it.

Hon. Mr. Bennett: We might have waited too long to get into it, but I'm going to tell you we usually stay in, we don't try to sucker the governments of the province or the municipalities into it and then step aside.

Mr. Kerrio: Is there any validity in some study at the provincial level?

Hon. Mr. Bennett: Not from my ministry, but Transportation and Communications, as Bernie said, has already undertaken three or four or whatever it is across the province, and I suppose when it completes those it will then have a better idea as to whether it is moving in the right direction.

Mr. Kerrio: I think you'll agree that our industrial man down there in Niagara Falls is one of the more—

Hon. Mr. Bennett: Montgomery?

Mr. Kerrio: —Joe Montgomery—is one of the more aggressive ones and possibly takes some of that industry—

Hon. Mr. Bennett: Between Moore and Montgomery, I'm frightened for my life. One spends most of his time in Germany, the other spends most of his time in my office. It's an interesting question.

I suggest you direct that one to the Minister of Transportation and Communications, the Hon. James Snow, who would likely give you a more positive and a more practical answer.

Mr. Kerrio: Fine, thank you.

Mr. Haggerty: Mr. Chairman, to the minister, in your policy relating to the Ontario Development Corporation, I notice that your interest rates now run from anywhere from zero to 12½ per cent. Why is that? How do you pick and choose a certain industry that should get, say, a loan for 10 years at 8¾ per cent, the next one will get it for six per cent, one will get it for nothing, and the next one is charged 12½ per cent? It would seem to be way above the bank interest rate?

Hon. Mr. Bennett: No, just a moment, not above the bank interest, don't get away off base. There are different loan programmes. The Ontario Business Incentive Programme is the one which is to assist industries to establish in northern and eastern Ontario in particular. There have been a few, I'll admit, that have gone into southwestern Ontario to help establish some companies that we thought were essential and where financing was not really available. Those loans are made on a forgiveness period, which could be anywhere from one to five years, for no repayment and no interest payments, commencing at the fifth year with interest at what would be a current level, which would likely be whatever the provincial interest rate was for the quarter in which the loan was made.

Mr. Haggerty: Look at this one here, the Pyrotenax company. Pyrotenax, in around Trenton or Belleville, in that area, received a loan for \$435,000 interest free, if I understand your brochure there.

Hon. Mr. Bennett: I'll take note of that, but let me just go through the plans very quickly. The OBIP loan has certain incentive factors to allow and to encourage people to come to certain parts of the province to establish. The tourist loan is given at two per cent below prime rate. The industrial mortgage loan is given at prime rate. The other loans—

Mr. Haggerty: Your tourist loans are running about 8¾ per cent.

Hon. Mr. Bennett: They're two per cent below prime, whatever the prime happens to be at that given quarter. It used to be considerably lower and there was a great fuss by a number of people.

Mr. Haggerty: I just noticed the climb in the interest rates there. I was concerned regarding what you mentioned before, about the textile industries, and I was looking at Carhartt in Hamilton, which is a well established Canadian firm. They received a loan of \$25,000 at 11.5 per cent interest, and yet I understand that there was a Lee located someplace in the eastern part of Ontario; I'm only quoting now from—

Hon. Mr. Bennett: We've had two or three of them, in North Bay, Napanee and Cornwall.

Mr. Haggerty: Lee Textiles.

Hon. Mr. Bennett: Lee and Levi had three plants, one in Cornwall, one in Napanee and one in North Bay.

Mr. Haggerty: They moved from one location to another, and they seemed to get pretty good loans.

Hon. Mr. Bennett: They weren't all from us.

Mr. Haggerty: I understand that the product that they're supposed to be manufacturing, all they do in this one particular plant is just bring it in from one of the Asian countries and put a stamp on it, "Made in Kingston" or whatever place it is, and if you look close enough at the label it says "Manufactured in Korea" or one of those places over there.

Hon. Mr. Bennett: The only plant I haven't visited in the denim blue jean industry is the

one in North Bay. I can tell you, I've been in the Napanee plant, I've been in the Carhartt plant, which has only recently been taken over by two young Canadian fellows, who have been in to see us and have been given an export support loan to send their stuff into the European market. I can tell you, in the Napanee plant and the others I've visited, I didn't see any foreign-made goods. They might have gotten denim in from a foreign country, because we don't make enough denim in Canada to supply Canadian needs. We don't make enough denim jeans in Canada to supply Canadian jean requirements, so there are some imports, I make no bones about that.

Mr. Haggerty: It's just that this retailer in the city of Port Colborne brought it to my attention and said that they were actually made in Korea, and the denim wasn't of the quality that you'd purchase here. It wasn't the eight ounce, which is normally what it is. He was complaining about the markup on the price of it. He said he wouldn't sell the product at that price because he felt the public was being taken.

Hon. Mr. Bennett: There's no doubt about it that there are some imports, some stuff is being made in Mexico and being shipped into this country; again, because market demand is greater than manufacturing supply.

Mr. Haggerty: He pretty well indicated that all that was done was just the labelling at Napanee.

Hon. Mr. Bennett: You have to be careful that it doesn't say, styled in Canada, manufactured somewhere else. I've heard that one being used by more than the denim industry. The origin of manufacture, by federal legislation, must be on the garment.

Mr. Haggerty: It's hidden, I guess, in the apparel some place.

Hon. Mr. Bennett: The loan programme has varying interest rates. The interest rates went up because a number of my colleagues in cabinet and others suggested that with the higher rates of interest at the banks we should try and keep somewhere in step to that.

Mr. Haggerty: The interest rate is apparently coming down. Will this go down with it?

Hon. Mr. Bennett: Yes, it fluctuates. The interest rate is established at the beginning of each financial quarter of the government's

programme. In other words, whatever our prime borrowing rate happens to be at that quarter is the basis on which these rates are determined.

Mr. Haggerty: The other matter I was concerned with is that you were in the town of Fort Erie I believe around August 30, and I think the council had you on a tour of the municipality, looking over an industrial park. I know there are funds available for that. What are the interest rates for municipalities to borrow money?

Hon. Mr. Bennett: On the industrial parks programme?

Mr. Haggerty: Yes.

Hon. Mr. Bennett: It varies. The first year there's zero interest rate, the second year there's 25, the third year there's 50 per cent—these are forgiveness, okay?—the third year 75 per cent payable, the fourth year full interest. By the time you get to the end of the fifth year, you're at full interest.

Mr. Haggerty: What would that be at the fifth year?

Hon. Mr. Bennett: If you calculate it out, just going by memory, let's say you started at an interest rate of 10 per cent, with the variance of these periods it works out to something around 6 per cent average.

Mr. Haggerty: If you could get the interest rates down like that on everything we wouldn't have any problems at all in Canada, would we?

Hon. Mr. Bennett: I have an area in London which could use a few hundred thousand at that rate.

Mr. Haggerty: The other matter is, what progress is being made in the final construction of a tourist centre in the town of Fort Erie, the largest—Bernie's not here—the largest port of entry into Canada? You've had something on the drawing board for 10 years, I guess.

Hon. Mr. Bennett: The tourist centre that we have, which is a trailer at the moment—

Mr. Haggerty: That's right, just a trailer.

Hon. Mr. Bennett: We've had something on the planning boards for some period of time. We're not satisfied with what we're doing with it, because the cost is completely out of line.

Mr. Haggerty: I thought there was a group of private individuals who were interested in

constructing something on that site. Have you given any consideration to that?

Hon. Mr. Bennett: I'll have to look at that one. Maybe Mr. Radford can come forward and give us a more current comment on that.

Mr. Radford: The proposal is that a private group of businessmen from this town are trying to buy the property that is now owned by the Ministry of Government Services. The minister has proposed to them that if the town comes up with a proposal that will incorporate our information centre and whatever else they wanted to put into it, which at the present time is a five-storey building, that is acceptable to us in design and in appearance, and also to the Ministry of Transportation and Communications because of the highway, we will let the Ministry of Government Services sell the land to them and then we will enter into an agreement to rent the space that they develop in this proposal for an information centre. Their proposal also includes space for their own chamber of commerce and industrial commission and whatever else they can put into this five-storey building.

The ball is, at the present time, in their court. We've written to them again outlining the proposal and also confirmed to the Ministry of Government Services that the land is not to be sold to them until these terms are met. Does that answer your question?

Mr. Haggerty: Yes, sir. Thank you. That's all I have, Mr. Chairman.

Mr. Chairman: Mr. Williams is the next speaker. Now that it's 6 o'clock, we will rise and sit tomorrow after the question period.

Mr. O'Neil: Mr. Chairman, before we rise, I just wondered, we haven't even gone through one of the votes yet and I notice that we're taking a lot of questions on other sections. Since our time is limited from 3 until 10:30 tomorrow evening, will there be an extension of this time or will we get a chance to submit all of our questions on the different sections?

Mr. Chairman: I hope we get a chance to submit all the questions.

Hon. Mr. Bennett: I would refer, Mr. Chairman, to what was discussed on Friday morning. Mr. Angus was here, and John was here, and our allocation of time, I understand, is tomorrow afternoon after the question period until 6 and from 8 to 10:30. Commencing the next day at this committee will be the estimates of the Provincial Secretary for Resources Development.

Mr. O'Neil: Can I take it then that tomorrow we'll be allowed to cover other sections of the vote rather than having to speak on each individual one, which I don't think we have today? I don't think we've stuck to the one vote.

Hon. Mr. Bennett: The decision is between you and the chairman. Just as long as there's

some semblance of what we're doing, so that we're not jumping from one end of the book to the other.

Mr. O'Neil: Is that the understanding then?

Mr. Chairman: I would think so.

The committee adjourned at 6 p.m.

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 Cunningham, E. (Wentworth North L)
 Eakins, J. (Victoria-Haliburton L)
 Godfrey, C. (Durham West NDP)
 Haggerty, R. (Erie L)
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 McNeil, R. K.; Chairman (Elgin PC)
 Newman, B. (Windsor-Walkerville L)
 O'Neil, H. (Quinte L)
 Williams, J. (Oriole PC)

Ministry of Industry and Tourism officials taking part:

Fleck, J. D., Deputy Minister
 Radford, N. R., Executive Director, Small Business Operations Division
 York, P. A., Assistant Deputy Minister

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SUPPLY COMMITTEE-1 *Session*

ESTIMATES, MINISTRY OF
INDUSTRY AND TOURISM

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, November 23, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

TUESDAY, NOVEMBER 23, 1976

The committee met at 3:55 p.m.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM

(continued)

Mr. Chairman: Yesterday, before adjournment, we had the following listed to speak: Williams, followed by O'Neil—

Mr. Angus: On a point of personal privilege, first, Mr. Chairman.

Mr. Chairman: State your personal privilege.

POINT OF PRIVILEGE

Mr. Angus: Yes, during the minister's reply yesterday, on page 13 of Instant Hansard, the minister stated, in reference to our correspondence about Hawker Siddeley, and I quote:

"Mr. Angus had the opportunity of meeting with the president of Hawker Siddeley where we were both present at Thunder Bay. And I think the president described very clearly, to you, Mr. Angus, as he did to myself, that if the Tree Farmer operations had stayed in Thunder Bay one more year, that division of the company would have declared insolvency and closed its doors."

I wish to point out to the minister and to this committee that that is the first time I have heard that statement. The conversation I had with the president was cut short because of his schedule and my schedule. In fact, all along the officials of the company had stated that primarily the move was due to the need for extra space at the facility in Thunder Bay, a situation which I concurred with.

The second point is that on page 20 the minister states that:

"As for the Manitoba Trading Corporation, sales in 1975 were slightly better than half a million dollars and future shipments would appear to be something less than half a million dollars."

I just wish to point out that the annual report of Manitrade states that their sales were \$1,025,000 in the year 1975 and in our conversations with them, they indicated it would be better this year.

Mr. Eakins: Can I raise a question before starting? I want to go on record as expressing my disappointment at the amount of time given to the Ministry of Industry and Tourism's estimates. It seems to me, as I understand it that tonight—this is the last day, correct?

Mr. Chairman: That's what I understand.

Mr. Eakins: Right. You might say it's the only day we have had for these estimates and it seems we get squeezed between other ministries. I don't fault the chairman or the minister—I know it's an all-party agreement—but I would hope that the ministry would register an objection to this. I certainly have to my own party.

It seems to me that this ministry gets squeezed between the others and we do not have the opportunity really to go through the estimates and I think they're very important.

Here we are with a short day. We only have this evening—we had no evening meeting last night—and with opening statements and replies, it really leaves no time at all really to do the business of this ministry. I don't think it's right. You do a lot of preparing of questions and things you'd like to know about the operations and there isn't time to go into it. I don't think it's fair and I don't think it's right. I want to register that objection.

Secondly, I hope, in order to treat each vote equally, that we would proceed and discuss only the items under each vote so that we can get through it. Otherwise, if we use vote 1 for talking about everything, we're not going to get into the various things as we go along. It's my suggestion that we stick strictly to each vote and as the next vote is introduced, perhaps someone in the ministry might tell us exactly what comes under that vote so that we can stick to it.

There are some people who would like to ask questions under all of the votes but with it ending tonight, we're not going to have time unless we can stick strictly to each vote. Certainly the time makes a farce of coming to talk about the estimates, when we only have a matter of a few hours.

Hon. Mr. Bennett: May I take one moment, Mr. Chairman, to report to Mr. Angus in regard to his remarks on the Manitoba Trading Corporation? If he looks at the Manitoba Trading Corporation's annual statement on sales during the 1974-75 fiscal year, there were 67 transactions for a total volume of \$574,275; firm orders on hand to be shipped, \$451,347 which gives exactly what you said—total sales of \$1,025,622. That's what I reported as well.

Mr. Angus: That's not what it has in Instant Hansard.

Hon. Mr. Bennett: I haven't read Instant Hansard, I must admit.

Mr. Angus: If you will allow me, Mr. Chairman, to read it once again. It's on page 20 and I can pass the copy over. It says, "As for the Manitoba Trading Corporation, sales in 1975 were slightly better than half a million dollars and future shipments would appear to be something less than half a million dollars."

Hon. Mr. Bennett: That's right. That's what I've said.

Mr. Chairman: Mr. Williams.

On vote 2101, ministry central office programme:

Mr. O'Neil: Mr. Chairman, before you proceed, on comments made a few minutes ago—yesterday you proceeded in the fashion that, under the first vote, you discussed all things or most things relating to industry. Is it your wish, as was mentioned by Mr. Eakins, to do individual votes or can we discuss the industry under those generally and take the votes afterwards?

Mr. Chairman: I understood that we are discussing policy. We may have been discussing more than that under vote 2101 but I think we should actually try to stick to policy with respect to 2101 and talk about industry when we get to 2102, as much as possible. I hope it's not necessary for some of the members to repeat what they said yesterday. Mr. Williams.

Mr. Williams: No other interruptions? Mr. Chairman, I have three or four specific ques-

tions on the initial vote. I have other questions to be dealt with under the other votes as suggested by Mr. Eakins as we come to them.

Two of them deal with matters which were discussed yesterday. First, dealing with the federal Foreign Investment Review Agency programme, there was considerable talk about that yesterday afternoon and some indication as to the difficulties the programme was causing as far as foreign investment in the country was concerned. I think a question was asked as to what role, if any, the provincial government—this government in particular—is playing in that programme and whether we have any advisory position in the activities in that federal agency or not. I wasn't entirely clear on what your response was on that matter. You touched on it very briefly. I'm wondering if you could elaborate on that point. I think it's of some importance.

Hon. Mr. Bennett: Going back a period of a couple of years, when the Foreign Investment Review Agency was being discussed at the federal level, provincial governments were brought in to review the first draft position. After having had time to review it at a two-day seminar, there were some decisions made and agreements reached, that in any application which would affect a particular province, the provincial government must be notified of that particular application. That was a step in the right direction by the federal government in responding to what the provinces thought was most important.

While we express a view or a position to the federal government in a confidential way, as you can appreciate, it is certainly not binding on the federal government in any way, shape or form. But I would have to indicate clearly to you that over the past couple of years, positions taken by provincial governments to a great extent have been the ones announced by the federal government.

What happens is the application comes to us in the ministry, with all of the detailed information, which I might say is extremely bulky. It's placed with us. It shows all the advantages and so on. The second document we get is likely a document that has been negotiated between the company selling, the company buying, and the federal government, as to the extra advantages to the Canadian marketplace.

Mr. Williams: You have full access to all this information, do you?

Hon. Mr. Bennett: Yes. We have full access to all information that is produced by

any company putting in an application to FIRA. If there should be any rediscussion, any renegotiations or any change of positions, then the federal government will come back to us with those changes. As each amendment comes forward on an application, we are then advised of it and our position is once again sought as to whether we agree. This applies mainly to those applications where we have not seen any significant advantage to Ontario and we have asked for certain amendments.

Speaking from Ontario's point of view, the work relationship between the provincial government and the federal agency on this particular programme has been very good. I say, in defence of the companies, that the process has taken a lot of time. It becomes very time-consuming. That's one of the things that Mr. Chretien has now assured us that he's going to attempt to eliminate in the new policies that he's bringing down, which I hope will be some time in December. Overall, though, the applications have been handled rather effectively, and I think we do get a better understanding of who is buying and selling in Canada and Ontario.

Mr. Williams: What is the average time in processing these applications? I appreciate, of course, that they can vary, depending on the complexity of the application, but on the average what are you finding here in Ontario to be the time-frame?

Hon. Mr. Bennett: A hundred and—

Mr. York: It's about 78 days, sir, but most of that is due to the fact that the information coming from the client is not forthcoming in total. They're trying to cut it down.

Mr. Williams: It's approximately three months.

Hon. Mr. Bennett: Let me make one thing very clear. It's 78 days from the time that the application, the conditions and so on, meet the government's requirements. In other words, if you are making an application to FIRA, in the first run-through there might be some mistakes or information that's not there that they require and they'll send it back to you. That period of time is not counted in the 78 days. The clock starts to run the moment the application, in every way, shape and form, meets the criteria or the demands of the federal agency. And then we'll move on it.

Mr. Williams: I see. Thank you. Coming to another matter—and I think perhaps it's opportune in light of what went on in the

House this afternoon—I had proposed to ask you yesterday afternoon what evidence there had been, from your ministry's point of view, as to the benefits that had accrued in the province of Ontario as a result of the sales tax exemptions on the sale of industrial equipment since the programme was initiated last year. This resulted in discussion in the House this afternoon but I don't recall that your opinion or comment was asked on this particular point. Could you comment please?

Hon. Mr. Bennett: Yes. I am speaking of the figure which shows the amount of industrial equipment purchased in the various provinces across Canada over the last two or three year period. The only province that has shown a significant increase in the purchase of industrial equipment and new machinery being purchased was Alberta—there was some increase in Ontario.

The fact is that while we can talk about the tax—whether it has created employment or whether it has done other things—it has reduced one further impediment in the eyes of the foreign investor in coming to the province of Ontario with his investment. As Mr. McKeough said this afternoon, we are in competition constantly with the northern United States, the province of Quebec and others, who have eliminated these taxes or have never had them in the way. I am trying to find the figure—I am not sure whether I have it with this set of books or not—which shows the volume of industrial equipment purchases over the last two or three years and the position as it relates to Ontario. I think that gives a clearer picture.

Mr. Williams: Mr. Minister, do you have comparative figures for the sales in the pre-tax exempt period and the post-tax exempt period?

Hon. Mr. Bennett: Sales, yes. I don't have them here in my set of books; if I can take the question, I will secure the figures for you.

Mr. Williams: When that information comes forward, is there any way that you can relate if there has been an increase or a decrease in sales of industrial equipment as a result of a sales tax exemption, that can be given on a percentage basis? Is there any way you can relate a corresponding increase or decrease in employment to the sale of equipment? Is there any really meaningful relationship there that can be established?

Mr. Fleck: I am sure we can get that information but I don't know how useful it

would be in determining what I think it is you want determined. You want to know what is the impact of having a tax or not having a tax as it relates to employment. The problem would be, I am sure, that the other conditions in the economy generally would vary quite a bit between those two periods.

One of the reasons we want it off is that we are in a period where we feel we really need whatever injection may come from having—It is a stimulant; it is almost a negative stimulant in the sense that it is removing what was a penalty rather than adding some sort of incentive. The tax is something that we have had on there in the past—or the threat of the tax—because it has been on this deferred basis for a period of time. The places we are competing with, such as Quebec and the northern states of the United States, don't have it. So it is something that was an extra impediment. Now that we've removed this extra impediment it doesn't mean we look great now in relation to the others—all it means is we look equal.

Even with that data, I'm afraid—I don't know that it would be too helpful in drawing conclusions, but I am sure we can get the data.

Mr. Williams: Is any distinction made in granting the exemption between equipment that is totally manufactured outside of and brought into the province and equipment that is manufactured totally or in part in Ontario?

Mr. Fleck: This is related to the use of the equipment. If there is a deterrent, the deterrent would be in other areas, such as tariffs. There is not a separation between Canadian and non-Canadian on this particular point.

Mr. Williams: Two other questions, Mr. Chairman, if I might. Mr. Minister, you talked at some length about your trade mission to Europe this past summer. I notice that a significant statement was made yesterday by the Chinese government indicating that they are changing their policy with regard to purchasing abroad. They will now be aggressively buying the technology of the western countries which heretofore they had not embarked upon. I am not aware from reading any of the previous reports that there has been any activity of any consequence by our ministry in that area. If there has been some activity as a result of that statement, what do you perceive as being the role of your ministry in dealing with that country?

[4:15]

Hon. Mr. Bennett: Of course, we've had technology missions we sent abroad to sell Canadian technology. In the field of mining—

Mr. Williams: Into China?

Hon. Mr. Bennett: We've only had one trip to China, which goes back several years ago, and—

Mr. Godfrey: Which China is that?

Mr. Williams: The Republic of China.

Hon. Mr. Bennett: Big China. Red China. Mr. Grossman led the mission, if you recall, back—

Mr. Godfrey: We don't use the big, Red any more—

Mr. Williams: That was three or four years ago, you say, Mr. Minister?

Hon. Mr. Bennett: The fact is, we've not been back to China in respect to a technology mission or a trade mission. In the period that I've been minister, the federal government might have had one further mission back into China. Do you recall?

Mr. York: I think they had two—

Hon. Mr. Bennett: Two missions.

Mr. York: —missions, one unofficial and one official.

Hon. Mr. Bennett: Well, obviously what we'll do is continue to pursue. Where a country has indicated her desire, as Brazil has, for the purchasing of technology related to certain specific fields, you can be sure that we will not be sitting back waiting, we will be with the federal agency. That's one of the countries where we had to work through the federal ministry—External Affairs, Trade and Commerce and so on—to secure entry.

Mr. Williams: I presume your ministry did not have any advance notice of that new policy of the Chinese government.

Hon. Mr. Bennett: I have not known of any advance notice on it in any way.

Mr. Williams: In looking at the 1975-76 review statement, there was comment made on your manufacturing opportunity show of 1976, but this publication obviously came out before the results of that show could be analysed. I wonder, Mr. Minister, if you could indicate what benefit that show may have been in the Ontario marketplace this past summer. I think they're held every four years, are they not?

Hon. Mr. Bennett: Every three to four years.

Well, we had the MO show, I'm just trying to find the figure here—250-some. Do you have the exact figure, Mr. York?

Mr. York: For what?

Hon. Mr. Bennett: Exhibitors.

Mr. York: The number of exhibitors, approximately 258.

Hon. Mr. Bennett: There were 258.

Mr. York: It broke off here, here, here, and here. And here is the volume of dollars, there, there, there, there. If you read it horizontally—

Hon. Mr. Bennett: A total of 258 exhibitors. Dollar value on products exhibited was something in the range of about \$66 million. Attendance at the exhibition in total was 53,000.

They're broken down, I might say to members of the committee—import replacements and contract sales; new products; licensing; joint ventures; inventions and licensing; opportunity centres; unique production facilities, and so on.

The total attendance was 53,500. Number of companies interested in bids or negotiations totalled 6,429. There is a projected dollar volume in sales as a result of the joint ventures—and I say projected dollar value of orders expected or annual revenues generated by the various types of programmes—which comes to about \$72.5 million. Immediate orders expected in the 90-day period after the show was figured at 729.

Mr. Williams: Those are projections, Mr. Minister; that was back in June. Have there been any more tangible results?

Hon. Mr. Bennett: Only the sales figure is projected, \$72.5 million. The others, on attendance, exhibitors and so on are factual.

Mr. Williams: What is the approximate cost of putting the show together? To the government?

Mr. York: About \$100,000. Some of that is recapped through the sale of the booths and the attendance charges. It will be about half of that, I think that's recovered.

Mr. Williams: And you say that approximately \$72 million worth of business was generated as a result of this show?

Mr. York: Yes, this is the projection. This is based upon signed statements by the exhibitors at the time the show closed.

Mr. Williams: How does that compare to any previous shows? Would you consider this to be more successful?

Mr. York: Yes, more successful. It exceeded the previous show by some \$15 million.

Mr. Williams: Do those shows bring new industry into the province? It may help the export market, but does it tend to bring business into the country as well, new industries and new companies, or is it more directed to exporting?

Mr. York: Yes, the show is comprised of a number of elements. One of them is the import replacement. The bits and pieces which are currently being imported into the province by various manufacturers are put on display. Other manufacturers looking at these pieces can attempt to bid on them and to produce the quantities at a lesser price.

There are also new products. Through the agencies of our offices abroad and the federal government, we secured 75 exhibitors who exhibited new products. They brought products with new or different technology into the province and a number of these are in negotiation at the present time and hopefully, will generate new industry in the province in the days to come. There were 94 inventions exhibited. We hope some of those will come to fruition as a result of the show.

Mr. Williams: Lastly, a show of this nature isn't directed to the service industries. What comparable type of aids do you provide to the service industries? This is directed to the manufacturing and to the hard industries. What about the service industries? I guess they actually constitute the greater part of our private sector in the province. How do we assist the service industries?

Mr. York: We do not have anything that's comparable for the service sector at the moment. There's no hard product to sell. You're dealing in a much more intangible area and it's much more difficult to put on something of a nature to which you can relate some tangible results.

Mr. Williams: Are your regional offices of any assistance to the service industries or again are you dealing primarily with the manufacturing and export market?

Mr. York: Yes. As you realize, there are some 13,000 secondary manufacturers within the province. Twenty-one of the offices are strategically and geographically located within the province. Each has certain pre-determined responsibilities to ensure that the manufacturers in their specific areas are aware of every programme, not only the MO show but every programme that the ministry

has. The manufacturers are visited personally and information is sent to them. One of the objectives is to make each and every manufacturer aware of the programmes and the services that the ministry offers.

Mr. O'Neil: I have another suggestion. I don't have any questions on vote 2101, but we've spent about three and a half hours and not had one vote yet. We have another seven to go. I think the chairman should do some allotting of time for these different votes so that we do get through them. Otherwise, we should be prepared to sit all day tomorrow.

Mr. Chairman: That's entirely up to the committee. I understand an arrangement was made among the three parties and that your party agreed to that arrangement.

Mr. O'Neil: Right, but I think there has to be some allotment of time as to these different votes.

Mr. Chairman: Yesterday your party had 38 minutes compared to 36 for the NDP and none for the Conservatives.

Mr. O'Neil: I think you do want to cover the different votes, do you not? I have no questions on 2101. I have on 2102, if we can get on that vote.

Vote 2101 agreed to.

On vote 2102, industry development programme:

Mr. Angus: After the ministry has completed a sector analysis, what exactly happens then? Without going through the three stages that you mentioned yesterday, what is the direct process that occurs?

Mr. Garland: Depending on the size of the sector, the publication of the actual document may run from 100 to 400 pages because it's aimed at key industries in that particular area. The finished documents are sent out to our field offices. They are then usually hand-delivered to the senior executives of the company with the request that a review is made internally by the corporation group with the objective in mind that a feedback will come back to our field offices. In turn, this will come back to the man in the central area who prepared the sector analysis. I think it's at that phase that we now are with the different sector analyses. We're really bringing back a confirmation of the items that are in the sector analysis. For some of the sectors, the response for the ones that have been issued varied. One particular group, electronics, if I may refer to it, actually came in as a group and wanted to set up a sub-

committee. That has been set up and there have been some meetings aimed at identifying the problems in greater detail, with the goal of possibly coming up with some of the solutions that are identified in that particular analysis. Our reaction, I guess, is based almost on the way in which the particular industrial sector would like to handle it.

Mr. Angus: But aren't the analyses, themselves, the industries' own viewpoints?

Mr. Garland: Basically, they're the viewpoints that have been gathered up in the many association meetings that we've had with the various sectors. To some extent, they are their points, but I think when you come and you're trying to get the total picture, it's used as a basic document in trying to refine the problems and perhaps take it from there as to what they would suggest and what we would infuse into their suggestions as to possible solutions.

Mr. Angus: OK, so it's a two-process system, whereby you find out the problems in a particular sector. After you've identified those problems, after the industry itself recognizes them, what further involvement does the Ministry of Industry and Tourism have in ensuring that those problems are corrected?

Mr. Garland: I think it's part of a total picture. I believe the minister mentioned that this goes back some time from an overall Canadian point of view. As a matter of fact, as part of our approach on these, there happens to be what is called a deputy ministers' council. Senior officials from all the provinces meet twice a year and this particular approach in identifying or coming up with sector analyses of key sectors was presented to this group about two years ago. As a matter of fact, you'll find the one you referred to in your comments the other day was from Saskatchewan. It was really as a result of our initiative. We put to the group the aspect of coming up with analyses of each individual province. With all the provinces together, we could then go to our federal associates with perhaps an overall picture that would represent the Canadian point of view, recognizing that each province has a different emphasis.

At the same time, the federal people have been carrying on their own sector analyses. Some of them have been done for some time. The pattern I believe the minister referred to, vis-à-vis Westinghouse, etc., although there are no names identified in the sector analysis. What has actually happened is a pattern that fits into the sector analysis was

carried out by our federal associates having to do with the plate goods industry. I think you can quickly see that with the resources we have we haven't covered all the sectors. I think you'll find, depending on the emphasis, that other sectors are covered more adequately or broadly by other areas.

Mr. Angus: When did the sector analysis start? I would assume that there is an end date, that you would like at least those industries that you've decided to do an analysis on or with, that you want to have them all completed by a certain date?

Mr. Garland: I think a sector analysis is part of a dynamic action. The analysis that you might come up with into the needs of that particular sector, may have changed completely three or four years from now.

Mr. Angus: I appreciate that.

Mr. Garland: In effect, what we are trying to do with these analyses is bring the problems to the surface, come up with what industry would like to do, try to reflect it in our recommendations inwardly through our ministry, to our minister, as to what the needs of that sector are and suggest possible steps that could be taken.

Mr. Angus: You have, I believe, 13 sector analyses now. Are there any more under way or contemplated?

Mr. Garland: There are actually others having to do more with the service industry that are still in basically draft stage. There was one carried out for the computer software industry that is still in basic draft stage. There's one having to do with the film industry that's in a draft stage.

Mr. Angus: But I'm talking about a final date when you will have X industries analysed, where the third stage, I believe, would come into effect. Because you would be talking about not just doing it on an individual industry but correlating between industry.

[4:30]

Mr. Garland: Could I refer to the one—I think it was mentioned in some of the questions yesterday and the day before—having to do with the foundries? The development in that particular one has resulted in a foundry association; in effect we've reached a goal. We used the sector analysis as a document to bring together all the foundry manufacturers in Ontario and since that time, through the assistance of our federal equivalent, the foundry association has become almost na-

tional. If you want to look at achieving a goal, from that particular analysis point of view a major goal was achieved in bringing that key industry together.

I think you referred to this—there are some problems mentioned in that. I think perhaps our next step—we have been working with our federal equivalents—is working on the idea of having more research done in that particular sector. I don't think you can put them all into a class or a strict timetable, that this one begins and this one ends. As far as we are concerned if, in effect, we have satisfied the needs of a particular sector and they feel that some of their major problems have been resolved, I would think our emphasis will swing to other ones based on our resources.

Mr. Angus: Did the ministry have much of an input in terms of formulating those goals or formulating the directions within the sector analysis?

Mr. Garland: I think if you look at the men who were involved in preparing these, basically they have all had many years of experience in that particular sector so they couldn't help bringing to the document their own particular knowledge and experience and continuous exposure to the business.

Mr. Angus: Or their own biases for that matter.

Mr. Garland: I suppose we all build those up.

Mr. Angus: Do the industries contribute financially at all, in a direct sense, to the preparation of the analysis?

Mr. Garland: No. They were done strictly in-house without any, as you would say, specific budget for them. They were done with the men who are basically involved in consulting with industry on their other technological needs.

Mr. Angus: When the analysis for a particular industry was done I would assume there would be a series of meetings with company officials and management — would they meet with labour?

Mr. Garland: Yes.

Mr. Angus: Would they take a look at the life expectancy of the plants, the equipment, the availability of manpower, situations like that?

Mr. Garland: If I could refer to the electronics one, it goes back to the time when

the association, as such, came in because it was concerned about the future of that particular industry. It is still concerned. On our part, we actually met with the major labour union members on that. Following that separate meeting we were able to bring together the leaders of the two key unions in the electronics field and the major electronic people who jointly then went to Ottawa with their problem. Yes, we have no doubt about making that move.

Mr. Angus: I would like to leave the area of sector analysis and touch on another concern of the industrial development section and that is the film industry. I am wondering if you can advise this committee why the Ministry of Culture and Recreation has felt it necessary to establish a film development section as well. I am assuming it is in either competition with or it complements the section within your own ministry.

Hon. Mr. Bennett: We have had some discussions with the Minister of Culture and Recreation (Mr. Welch) and the two areas of responsibility do have some differences inasmuch as we are in the area of trying to assist the film industry in its commercialized operations. The Ministry of Culture and Recreation has been dealing with—I was going to say amateur but it is not the word. It's been dealing with the—if I could find the right word. In other words, we are dealing with the commercial aspect of it and how to sell Canadian films and locations for Canadian films. The creative? Thank you very much.

Mr. Samis: Feature-length productions?

Hon. Mr. Bennett: Feature-length films is one of the things we are looking at, trying to lure them to Ontario.

Mr. Angus: You say lure them to Ontario.

Hon. Mr. Bennett: Right.

Mr. Angus: Are you suggesting that the approach you are taking toward the development of a Canadian film industry is to bring in people, say, from Hollywood to produce feature length films in Canada as opposed to giving assistance to existing or starting Canadian entrepreneurs of the film industry, if I can put it that way?

Hon. Mr. Bennett: We've been doing both.

Mr. Angus: Where do you place the emphasis?

Hon. Mr. Bennett: Let me put it this way, if you are going to make some feature-length films, you are obviously going to be bringing in some stars from places other than Canada.

Mr. Samis: It is not essential.

Hon. Mr. Bennett: If you say it is not essential, then argue with the film industry. Don't argue with me about it.

Mr. Samis: It is a fact that it is not essential.

Hon. Mr. Bennett: Feature-length film people believe it's essential if they are to sell their product in the world market. You can say it is the old syndrome. The fact is the production, the display and all the creativity of scenery and everything else are accomplished right here in this province. The expenditures for that are made quite often in the communities in which the film is being produced. Some of the acting talent in the films is brought in.

Mr. Angus: Have you gone to the States?

Hon. Mr. Bennett: Yes, you are right. We have gone to the States to lure Americans to make films here. We are not alone. We actually take quite a back seat to a great number of states and provinces across this country today. There are some states in the union today that have a complete police operation of cars set up to accommodate film-making. They have scenery. They have gone into a great extravaganza of equipment to lure the film industry into their communities because they find that the yield is very substantial and the return to the individual community where the film is being produced to be rather significant.

Mr. Angus: If Ontario was to develop its own sort of native film industry and received the kind of support necessary from the province, would that not in a sense repatriate our Canadians who are working in the States now, as opposed to importing what is already in existence?

Hon. Mr. Bennett: My emphasis was on some of the stars who are brought in to try to give the films a degree of credibility in European and other market positions. The fact is that in this country a great number of film-makers have gone ahead in the last number of years, particularly in the technology of producing films. I don't think we have to take a back seat. We may not be doing it in the same volume of dollars as they do it in other parts of the United States, but in

the technology that we have here we have some film-makers, producers and directors who are recognized in the world market-places as very competent. We have gone into some programmes with them.

I must say the programmes some of them would produce would be far too rich at least for the Ontario Development Corporation, for example, to undertake some of the loan programmes, when we look at what the federal government has been able to do in tax write-offs for the film industry, to try to create the attitude in the private sector to put a great deal more money into film production systems in Canada.

Mr. Angus: Has the tax write-off worked?

Hon. Mr. Bennett: A great deal of money has gone into the film industry.

Mr. Samis: Nobody seems to be happy with what is happening.

Hon. Mr. Bennett: If I had to be honest with you, I would say this particular industry would never be happy because they spend money at an astronomical rate. We just have to have some controls on it.

Mr. Samis: What are you basing that on?

Hon. Mr. Bennett: I am basing it on the past history of the film production business. Go and talk to film-producing companies and see what has happened. The film started out at a figure and all of a sudden it just kept escalating at a rate because they got into a talent situation.

Mr. Samis: The business is a little bit unique.

Hon. Mr. Bennett: It may be unique and it's all right as long as it's unique but not at the expense of the taxpayers.

Mr. Angus: Is there not a similar situation in Canada as in the United States in terms of the inflationary increase in production costs during the course of production? It seems that that happens all over the place.

Hon. Mr. Bennett: I wasn't trying to make Canada, or Ontario, an exclusive sort of situation in that field. It is characteristic of that industry.

Mr. Angus: You say you are not happy with the idea of using taxpayers' money to develop that. You did compliment the federal government on its tax incentives. I get the impression that that hasn't worked or at least sectors of the industry believe it hasn't worked. In that case, other incentives are

necessary. I am wondering what role the province has or has had in creating a more appropriate climate for the development of a Canadian film industry in Ontario.

Hon. Mr. Bennett: We have assisted them in missions, for example, in trying to sell films after they have been produced. I think the government has also assisted them to a degree in the purchasing that we made through government for various areas of the ministries, and not mine alone. I am referring to other ministries of the government in the production system. While you sit talking about the federal ministry, it is a complicated one to deal with because there are great divisions of ideas as to how things should be handled. One of the film industry's chief complaints to me is that what could make them a more profitable and viable industry in Canada—I'm not just saying Ontario—would be if the federal government would loosen up on their policy, which dictates to federal government departments that they must purchase films for advertising, education or whatever else it happens to be, through the National Film Board of Canada. In a sense, therefore, the commercial sector is locked out of one of the prime retail markets.

Mr. Samis: They are locked out of the whole thing.

Hon. Mr. Bennett: No, excuse me, there are a few Crown agencies which, for some reason or other, do not fall under the dictum.

Mr. Angus: Have you made those recommendations directly to the federal people?

Hon. Mr. Bennett: Not me personally, but our people have spoken to them.

Mr. Angus: And what has been the reaction?

Hon. Mr. Bennett: The federal government said they were going to look at it; they were reviewing it. Obviously, as you can appreciate, they have a huge capital investment in the National Film Board and logically, I suppose, they are likely trying to figure out how to make the best possible use of it.

I might just say that we've had sales missions over the last couple of years and there has been fairly interesting participation by the industry. Of course, the one thing that recurs again and again is whether they've been productive, and most of the people who have travelled on the missions feel they have been successful in opening up new market

opportunities for themselves. Mind you, that's regarding the sale of a film that has been produced—not trying to find a client for making a film.

Mr. Angus: Would you say very briefly—and it may be an oversimplification—that your approach to the film industry in Canada is almost the same as your approach related to foreign investment in terms of bringing it in?

Hon. Mr. Bennett: My position when I went to the United States to meet with the film industry there, for example, was very clear that we have some excellent locations up here and we already have some capital investment in place. What I was suggesting to them was that this would be a prime opportunity to come if they were looking at making a film in a particular setting, some of which are here.

I felt it would be great to have them. Other countries are doing it; other states are doing it; other provinces are doing it; Quebec is putting a lot of money into it. I felt it was good to try ourselves to see if we could get that type of investment and employment. I don't think in any way was the minister trying to bring a competitive force into the field against Ontario or Canadian film producers. What we were saying is, "If you're going to produce a film, here's a location that's available."

Mr. Angus: Do you require or suggest to them, either politely or strongly, or include in any kind of agreement that you may have with an out-of-country film-maker coming in here, that there is some form of identification of exactly where this film is being shot? I'm thinking in terms of tourist promotion.

Hon. Mr. Bennett: I'd have to refer that to somebody else.

Mr. Garland: No. There is a film that is currently being shot west of Toronto—

Mr. Samis: Kleinburg.

Mr. Garland: In addition to Kleinburg, there were some shots taken in Oakville in a lawyer's home; they had to do with the whole play, but I'm sure there was no identification that they were actually taken on Kerr Street or something.

Hon. Mr. Bennett: But what I think Mr. Angus is referring to is, does the lead-in or the tail of the film indicate that the scenery or the principal locations were shot in the province of Ontario?

Mr. Angus: Or even shots, for instance, of the Toronto skyline, which identify where it is located. There was a television film that was done in Toronto and Montreal, and it actually did a PR pitch for both cities in the presentation; that kind of surprised me, but I thought it was an excellent way of doing a bit of promotion on the side. If we're allowing them to use the country like that, at least we can get that kind of promotion out of it as well.

A final area within this vote that I'd like to question the minister on has to do with the industrial linkage studies that you mentioned in your lead-off. You included Thunder Bay as one of the communities. Just so that I can relate to it, can you tell me what manufacturing and service industries are included in the Thunder Bay study? I'd ask for the other ones but I wouldn't understand the relationships anyway.

[4:45]

Mr. Garland: Again going back to what we were aiming for, we recognized that in northern and eastern Ontario there are some primary industries based on our resources. We then went through the exercise of asking what service industries would be needed that are not presently existing in this area. Actually there were more in Thunder Bay—but what we were attempting to do was to identify the service industries that are not there now that could be there, based on the volume of business that a primary manufacturer could give to them.

Mr. Angus: Is it only based on volume? Or is it based on other considerations such as transportation costs for, say, parts?

Mr. Garland: When we work with the primary companies, I think it comes down to saying—if you want to take one example—and don't hold me to the specifics—but let's take motor rewinding. If they have to send from the Elliot Lake-Sudbury area down to Toronto for motor rewinding, recognizing the vast number of motors that exist in those facilities, then there's an opportunity, regardless of the cost. If a major operation goes out of business because something burns out and the whole plant is at risk, then the actual cost related to even flying it down is immaterial in that sense. So it was what services would be better off closer to where they're being used than where they obtain them from now.

Mr. Angus: Are you looking then at every manufacturing and service industry in Thunder Bay?

Mr. Garland: I honestly couldn't tell you whether every one was contacted. Based on the study we did, we were trying to get the total picture as to the prime ones who would use services and to what extent the services could be combined into a unified marketable product for some entrepreneur who wanted to go into that business.

The first one was in the city of Orillia. In that particular one—one of the first we did—every major, secondary manufacturing firm was contacted and all the service industries that were currently there were related, so that we were able to identify them. That one I'm quite aware of.

Mr. Angus: I get the impression from your last answer that all of them are not occurring at the same time. The Thunder Bay one may just be starting, for instance. Can you give me an idea of the time-frame?

Mr. Garland: I think it's strictly within the monetary restraints that we've had. For instance, the Sault and Kingston were carried out earlier this summer. I think it just depends on our capability and the amount of funds that we have carrying them on.

Mr. Angus: So you're actually rotating from one to the other?

Mr. Garland: Yes. As you get one completed you move to another area.

Mr. Angus: Is the Thunder Bay one occurring now, or is it yet to come, or has it happened?

Mr. Graham: The Thunder Bay draft is completed—it's being finalized now.

Mr. Angus: Are these documents public documents or are they considered to be confidential in nature?

Mr. Garland: The ones we've produced have gone out.

Mr. Angus: Are they being published?

Mr. Garland: It's a restricted publication. I think the ones for Kingston have gone pretty well to the members who are interested in that area. To that extent they're public.

Mr. Angus: Obviously, it would indicate a need in an area. Would you communicate that need, once it's identified, to the development corporation within that area, so that it would react positively to requests?

Mr. Garland: Yes. In other words, they can use that as a development tool.

Mr. Kerrio: My primary concern is in regard to the foreign investor, as he would view the land transfer and land speculation tax. Considering the very active role that our industrial manager at Niagara takes, and the complex that we have built there, and following possibly your lead in courting the foreign investor—I think that we've followed quite a parallel, of course, to your junkets overseas—he indicated to me and I wondered at the validity of it, that we should consider amending the land transfer and speculation tax. I'm thinking in terms of the speculation tax as such. The term acknowledges the fact that very possibly land costs have been driven up and that we should do something about that and that the transfer tax has had some justification. But are we arriving at a station in life where we should be taking a good hard look at how these potential investors view this kind of law in our books?

Hon. Mr. Bennett: I would specifically relate this case to the land transfer tax. Obviously, it has had some complications within it for the foreign investor. We are convinced at this point in the history of the programme that in the case of any applicant coming to Ontario to build a commercial or industrial operation which had meaningful employment associated with it, that had been forgiven or has been waived upon application to the cabinet.

I think that it would be well if we made some changes in the legislation that would clear up the complications and misunderstandings once and for all and not necessitate this long drawn-out problem of making the applications for tax which has been forgiven up to this point on just about all cases.

Land speculation has not created the same difficulty for us. It has not raised its head on too many occasions. So I can't speak of it in any way that it might affect industrial development or commercial development in Ontario. If you have specific examples, I'll be glad to have them reviewed further, but at this moment speculation has not been one of them.

As I said yesterday, land transfer tax as far as I'm concerned should remain in place on lands such as recreational lands and so on that are only being hoarded or gathered up for an individual's personal use. I would like to think that the land transfer tax might be waived on some of the large resort areas that are being developed by other than Canadians because they are still a very viable part of the industrial, commercial and employment community.

Mr. Kerrio: The reason I'm bringing that into focus is that it was my pleasure to be involved in one of the trade missions overseas in the early 1970s. I've been very close to it. I was very impressed with the amount of work that the provincial government had done and very much impressed with our local representative. I have to think with pride that other jurisdictions could follow the example; they shouldn't have to wait for the government to initiate that kind of little expenditure of funds in order to entice industry to a given area. I have to think that we've been very successful. I have to think that in the last year-and-a-half, they've sold \$160,000 worth of land in Niagara—

Hon. Mr. Bennett: In the Niagara industrial subdivision?

Mr. Kerrio: —in the industrial subdivision. It looks like a German firm is coming in the near future and we've had two or three inquiries since. The reason that I brought that one particular aspect of it in is that it seems if we are going to go over to induce foreign investors to come—and I certainly would like to compliment you on your choice of advertising around Frankfurt, showing Niagara Falls as a central place in Ontario—if we're going to induce industry to come to Ontario, we then have to iron out some of the difficulties; some of them feel we put obstacles in their way.

Another aspect, I think it would relate somewhat insofar as foreign investors are concerned, has to do with the possibility that some content—I wonder if we could consider in Ontario some indication by some of our government purchasers, of percentage of Ontario-produced content, say, for instance, for Ontario Hydro, if you will, or some of the big buyers with provincial funds. I wonder if there is any possible incentive there to get Canadian firms or foreign firms to invest in Ontario if we were to think in terms of Ontario content. Is it valid?

Hon. Mr. Bennett: I think our point is that we have to sell Ontario much more effectively than we've been doing. When I say we, I'm referring to Canadians generally, the business community as well as the political community.

I think too often we look upon the negatives rather than the positives in what we have in Ontario, and the advantages of being located here. I could go on with a number of other things, specifically referring to purchases by government organizations, whether they be provincial, federal, municipal or Crown agencies, or school boards, hospitals,

authorities that are run through public funding. We have appealed to them through the various ministers—the Minister of Education (Mr. Wells), the Minister of Health (Mr. F. S. Miller), and through my own ministry, and through the Minister of Intergovernmental Affairs (Mr. McKeough) to the municipalities—that they should be looking more favourably upon Canadian-produced goods.

And of course in the end the possibilities with Canadian-produced goods—the law of averages are at least 50 per cent or better for small companies in the province of Ontario.

I am very careful in saying plants in Ontario, because the Quebec government has a policy for Quebec Hydro whereby they virtually dictate that it buy from Quebec firms and that the goods be produced in Quebec and so on.

Mr. Eakins: Does that problem still exist, Mr. Minister?

Hon. Mr. Bennett: Yes.

Mr. Eakins: Why is that?

Hon. Mr. Bennett: That is a provincial position—I would think that it is.

Mr. Eakins: Why is it so easy for them, and yet the people in Ontario find it difficult?

Hon. Mr. Bennett: It is not difficult for us. We could implement that policy. But I think in relationship to national unity we had better be very careful what we are moving into. If the province of Ontario started to dictate that we will only buy Ontario-produced goods, provinces like Prince Edward Island, Newfoundland, New Brunswick, Nova Scotia, and others going west of here, would virtually be locked out of the market completely.

With that type of pressure you could come to one step away from forcing industry to come and sit down in Ontario, because of the heavy purchasing position of the government or its agencies. So we try to be more nationalistic in our approach—we say we will give a 10 per cent preferential position as far as the provincial government is concerned, to Canadian-produced goods as versus foreign-made goods.

As I said, we suggested very strongly to the hospitals, the universities, the various other forces around the province that they might also implement a policy similar to it.

I trust that it is not the feeling of Ontarians—that we should come in with an iron-

bound policy that the goods first of all be Ontario-made, and if can't be Ontario then Canada, if it can't be Canada then we will go to a world market that will satisfy our needs. And I really think that when you look at the equalization factor—

Mr. Eakins: We should be able to compete back and forth.

Hon. Mr. Bennett: We have spoken to the people in Quebec. I mentioned to Mr. Chretien a few weeks ago when I met him that very thing, that we were disturbed by this continuing sort of attitude that prevailed in Quebec.

Mr. Eakins: It is a two-way street.

Hon. Mr. Bennett: I think you are right. If I follow Mr. Levesque's remarks of recent days he is going to take them one step further down the road.

You know, I live in a border city. I tell you it is going to make it much more difficult for tradesmen and industrialists to move back and forth across that border in doing business.

We have allowed Quebec to flow into Ontario without any real resentment or stopping up. The same privilege is not afforded to Ontario, and I am not sure what happens on their eastern borders, whether they do it for New Brunswick and so on.

Mr. Eakins: Some of their advertisements, especially Quebec Hydro, are that only those with headquarters based in Quebec need apply.

Hon. Mr. Bennett: They call for tenders on a great number of projects; Quebec Hydro is a good example. It is spelled out very clearly you have to be a Quebec-based firm. That doesn't mean to say you can't be an Ontario firm or from some other province, but you have to establish a second company with all of the requirements of the law down there to participate.

I am not about to recommend that to my colleagues in cabinet, even though I know that—and I think it would not be off base saying it—it would be a very good political decision for me in a place known as Ottawa. But I don't think, if you look at it in the nationalistic spirit, that it is going to prove to be very advantageous to us.

Mr. Eakins: I would be most willing to accept that kind of an argument that you put forth, if we could at least direct people's attention to having some incentive for Cana-

dian-produced products, or of the like. I would only like to address myself to one other area—

Hon. Mr. Bennett: I might just say that policy, what I said about the 10 per cent preferential position, is applicable only to purchases directly by the provincial government. I don't know whether the federal government has any type of policy in place for themselves.

We have strongly suggested—I repeat strongly suggested—to other groups across the province they might also add 10 per cent. I know 10 per cent seems like a fair amount of money but in relationship to trying to continue and secure employment for Canadians—because the foreigner is not going to pay any great amount of tax to you, and he is not going to produce many jobs for you—so the 10 per cent seems to be a sum of money that we can realistically live with and still secure taxpayers in an employed job.

[5:00]

Mr. Kerrio: Yes. There is only one other matter, Mr. Minister, that I would like to address myself to, and it really concerns me, in the industrial scene. That is, in this particular industrial development programme; I think it would relate in this regard. I am somewhat concerned about our international pricing and productivity. The minister mentioned it today, and I think it's of grave concern to all of us. I don't know if we can identify and address ourselves to this problem in any way, but what does the future hold when it would appear now that they can produce cheaper in the States than we can here in Canada?

Mr. Samis: In certain sectors.

Mr. Kerrio: You can identify yourself with the sectors, but it's becoming more general all the time.

Mr. Fleck: If I could just comment briefly on that, one of the concerns, of course, relates to the value of the dollar. That seems to be correcting itself. In fact, it's somewhat down even today and there are indications that it could well move down to par. I think that has been even a more serious factor than differences in wage rates. We're generally competitive with wage rates in the northern United States—with some minor exceptions, but generally competitive.

Where we have more of a problem is in wage rates in the south. It's possible in the US to move from here to the south, I guess. Here we don't have a south to move to.

We're already there, and if we move north it doesn't necessarily mean the rates come down. So we do have a problem in those areas. Generally, it's not thought to be a major problem for existing industries and certainly, say in the automotive and some of those areas, our investment in equipment has been comparable and the productivity has been comparable in those aspects of it, so that this is a concern, but it's not something to get paranoid about.

Mr. Kerrio: I just hope it's not a fact that the only reason we don't really have a problem is that we can't move the bricks and mortar, and that if there's a problem existing a little further down the road, we might well address ourselves to it and see what we can do.

Mr. Fleck: There's no question. It's something where you have to be competitive—over the long term. If we're not competitive over the long term we do have a very serious problem. It's one that I think where there is a growing awareness of the potential for a longer term problem, and, therefore, one that has to be taken into account both by management and by labour in their dealings and in terms of the need to bring in the investment. Certainly, the provincial Treasurer's move today will be helpful in encouraging that type of investment. We do have to have a concern. I guess what I'm saying is that usually where you read about it, it's some of the exceptions and that generally, across the board, we're not in bad shape in terms of the comparative wage rates.

Ms. Sandeman: I come to these estimates, Mr. Minister, partly because of some of the concerns I voiced during the recent discussion of the Labour estimates, and the Minister of Labour (B. Stephenson) suggested that I would be better to bring them to you. So I do that by her direction.

Mr. Fleck: She does that so often.

Ms. Sandeman: It's called passing the buck. I'd like to address myself as briefly as I can, because I know the time constraint you're working under, to a couple of general problems in the industrial development area and give you specific examples to show what's happening in my riding and also in Mr. Eakins's riding, and I believe he will want to enlarge on some of the things I'm saying or perhaps approach them from a different direction.

First, around the general problem of what one might call an industrial location strategy, those of us who live outside of Toronto are always aware that the government seems to have a strategy for decentralization in theory, but in fact we see little proof of much happening. What is concerning us as much at the moment as the failure of new industry to locate in our areas, is what is happening to existing industry, which seems to be shrinking. The bigger plants like Outboard Marine and General Electric are having problems I don't intend to go into today. What I wanted to look at specifically was the problem of small plants disappearing—not disappearing because the business has disappeared but disappearing, say, from Peterborough or Omemee or wherever and relocating in Toronto or Hamilton. There are various ramifications of that problem.

If I may, I will give you first the example of the Regal Paper Company in Omemee, Ontario. This is a company which is part of the empire of Canadian Corporate Management Company Limited which is a company that is on a pretty firm corporate basis. This company has had up to 150 employees. By December of this year, we understand they will be down to between 30 and 50 because the machinery is being moved out of the plant right now, this weekend, and being relocated in the Toronto plant of the same company and some of it, I believe, is going to Hamilton.

Over and above the problem of an industry which is very important to our area—it's a small industry but this is an area of small villages which rely on small industries like that—removing itself from our area and appearing again in that the work is going to the Toronto plant, there is also the problem of what I believe is called asset stripping, which I would like the minister to comment on. That was what I asked the Minister of Labour to comment on. She said this company has not offended against the labour standards Act and asset stripping is something that perhaps I should discuss with the Minister of Industry and Tourism.

I believe that is the only way one can describe what is happening there. We have a small company which is being bought up by a larger conglomerate. I would imagine it thought it would find itself on a more secure and stable basis because of the financial stability and so on of the parent company but then it finds that what the parent company after a couple of years wants is the machinery in the downtown Toronto plant. We've lost the jobs from Bethany, Cavan

and the small villages surrounding Omeme and what we have is now almost a ghost company up there making envelopes instead of a diversified line of products. I would like your comments on that.

At the same time and related to this, I would like your comments on what happens in—I don't know if it's the right term—what I think of as a runaway company. We had a very small company in Peterborough, called Tellus, whose only purpose, as I understand it, was to be a sub-contractor for Canadian General Electric and to provide to CGE smoke detectors and other home safety devices. That company disappeared overnight, and I mean overnight, in what I take to be, although it's legal, a morally unacceptable way of doing business in this province.

The employees of Tellus Instruments Limited received a letter at 4 o'clock on the afternoon of September 8 which told them that the company would be ceasing operations as of today, i.e., at 4:30 when the shift ended. The letter went on to say: "The reason we are ceasing operations here is that we find that we are at a competitive disadvantage in this area. We regret the inconvenience this cessation will cause you."

Inconvenience, of course, is a euphemism for unemployment. I like that euphemism, but I don't think the employees liked it as much. They were careful to give them one week's pay in lieu of notice so as not to transgress under The Employment Standards Act.

It took us a while to find out where the work had gone. We knew it had gone somewhere because there were orders in. In August we knew that 6,000 smoke detectors were scheduled for November and 4,000 for December. The employees had also been advised that a new product line was to be brought into the plant starting in January for Simpsons-Sears and the company had recently spent \$12,000 for new moulding equipment for that product.

Also because the letter to the employees said "we find we are at a competitive disadvantage in this area," we figured they were moving to some other area and we have discovered that they have moved, I believe, to Markham right on the fringes of the "golden horseshoe," back to the Toronto area and are now operating perhaps under a contract basis out of a firm called Shurlite.

Once again, if we have got any kind of industrial location strategy in this province, I think we have to be talking not only about

locating and developing new industry but what happens, Mr. Minister, to industries that are already operating and just depart overnight. I could go on at some length but my colleague here is making noises. I think I have had my nine-and-one-half minutes he is allowing me.

Hon. Mr. Bennett: He shouldn't be making noises. He takes his fair share of time.

Ms. Sandeman: Well, I am an interloper in the committee.

Hon. Mr. Bennett: You are the first woman we have had at the committee.

An hon. member: At least she should get equal time.

Hon. Mr. Bennett: That's right.

Mr. Samis: Oh boy, are you ever changing your tune.

Mr. Godfrey: That was an unnecessary remark. Did you have to remark about that?

Hon. Mr. Bennett: I made it anyway, doctor, whether you object or not.

Ms. Sandeman: That's another argument we will have elsewhere.

Mr. Samis: You will get her going for four hours on that one alone.

Hon. Mr. Bennett: Well, Mr. Chairman, in relation to the Regal Paper Company, if I can deal with a specific for the moment, the member for Victoria-Haliburton (Mr. Eakins) has already been in contact with my ministry and we are reviewing one of the reasons for moving out at this very point. We believe there is more to it than what you have just put on the surface. We believe there is something deep-rooted in the company, but I don't know at this point. At least from the initial indication, it could be more than just a matter of moving because of convenience to the company. I am now having it reviewed to find out from management of that company exactly what is involved. I didn't know at this point that Canadian Corporate Management had bought out the assets of it and to me also—

Ms. Sandeman: If that's not a recent sale—

Hon. Mr. Bennett: I don't pretend to know who owns all the companies in the province of Ontario. There are some 20,000 of them. I have trouble trying to remember what share I own in some of the certain businesses in the province. It's there. Go and look at

them in the file, doctor. I never made as much money as a doctor that I can afford to own that many shares but what I do own I have declared.

Interjections.

Hon. Mr. Bennett: Sure we do. Oh, yes, I tell them clearly and frankly because I am proud to be what you call a friend of the private sector who really likes to invest his funds in something that is known as development.

Mr. Eakins: The member for Peterborough (Ms. Sandeman) made a good point, Mr. Minister, which I wonder if you will enlarge on. Perhaps you are going to. That is the problem of the smaller communities which she has mentioned. It is certainly one of the problems through my area, and perhaps other members here encounter it, too, of not only attracting industry to the smaller communities but keeping the industry that's already there. She has mentioned Omemee and other small communities. A few jobs in Toronto would never be noticed but to half a dozen families in a small village or a small town it means a great deal.

Hon. Mr. Bennett: The programmes we have brought in through the Ontario Development Corporation, for an example, were predicated on trying to assist the small communities whether it be Peterborough, Lindsay, some of the areas in Haliburton, and so on, to try to retain some of the employment. I think you will recall we have made several rather substantial loans to Nashua Paper in Peterborough which persuaded them to retain their manufacturing operation there rather than moving it to the downtown area or back into the Toronto area.

The same thing applied to the food company that makes popcorn and so on—Ovaltine—which also came to us with the fact that the way things were going, the financing arrangements and so on, they could have moved back into the Scarborough plant and been able to do it. Through fairly substantial loans we made through the development corporation they were persuaded to maintain their facilities there.

That, basically, is the point where we are today. Through assistance in their financial operations we are trying to persuade them to remain in the smaller communities.

We have not got to the point—and I say this very openly. While my theory on business locations and so on might vary considerably with the socialist party, the fact remains that we try to persuade industries where it would

be a good spot to locate, from the economics of the province and the economics of their business. But if it is ultimately their final choice to go into an area such as Toronto or the “golden horseshoe,” then since employment is needed in the province and new investment is needed in the province, if that's where they wish to invest a substantial sum of cash in a building that suits them in an industrial park, then so be it.

That is not to say that the ministry people do not spend from the initial day a great deal of time and effort to try and persuade them to go into an area such as those that you or those who represent eastern Ontario speak of. I want to give you one example.

[5:15]

When I was on one of my missions a short time ago I had the opportunity of meeting with a French manufacturer in Paris. He indicated that he had two spots he wanted to come to in Canada, one happened to be in the province of Quebec and one happened to be in the province of Ontario. My job, first of all, was to persuade him to come to Ontario, which we succeeded in doing. Once we got past that point it was then a discussion as to where in Ontario would he be looking. He indicated to me where he would like to go and set down his plant. I immediately took the opportunity to try to persuade him that he should not be looking at that area but he should be looking at another area which I thought related more to the electronics field, where there was a smaller community and where his industry would be a very significant industry economically on that community.

After many hours of discussion his final decision—and he represented a family owned concern so the decision was a personal one—was he wanted to be close to Lake Ontario because he had a yacht and he wanted the convenience of being near that lake. Much as I might try to persuade him to go to another part of the province of Ontario, his first concern was whether his plant could be accommodated close to Lake Ontario.

So those are some of the problems. It is easy to say we should force them to do this and force them to do that; you don't force industry, because industry is no different than your children—you force them, they start to resist and they will do just exactly the opposite to what you want for the improvement of your community or for your province. They'll go to other places, and we're not alone in this industrial climate. As Mr. McKeough said this afternoon and I repeat

again, our great competition is immediately south of the Canadian border. There are several states there, and you can read their billboards right here around Toronto, trying to lure industrialists and investors into that part of the United States.

I don't know the story of Tellus, I have no idea of what went on there. I'm sure maybe Mr. York or Mr. Garland might have something that they can report to us on it. As for the decentralization of industry, we've tried to do it through the loaning of funds, not through force. Have you got something on Tellus?

Mr. York: No, I haven't.

Hon. Mr. Bennett: I will look at Tellus for you.

Ms. Sandeman: Yes, look at that. Could I ask you to consider, when you are looking at both of these, if the fact that in both cases the workers succeeded in organizing, and at Tellus succeeded in raising the wages from minimum to about a quarter above minimum per hour, had anything at all to do with it?

Hon. Mr. Bennett: Just a moment, you mean to the moving of Tellus?

Ms. Sandeman: Yes, you see the only reason that one has from the company for the moving of Tellus is that it says it is at a competitive disadvantage in this area. One wonders why, when the market is 400 yards away. What are the factors that would cause them to move? The only thing that had changed in the history of Tellus in the previous few months was that they had been organized, all of seven employees mind you, seven young women and two men in management positions. Originally, I think the young women had been paid at minimum or just over and the contract arrived at was \$3.25 an hour. Similarly with Regal, the plant to which the machinery is being moved is not an organized plant except that the printers are organized, whereas at Omeme the whole plant was organized. My instinct is to feel that that is not as significant there and that what we are seeing in Omeme is a textbook example of asset stripping and I still haven't heard you—

Hon. Mr. Bennett: Of asset what?

Ms. Sandeman: Asset stripping, and I still haven't heard you comment to me on what you think of that practice.

Hon. Mr. Bennett: What is asset stripping? I don't know.

Ms. Sandeman: I'm sorry, maybe that's a phrase that's not used in Ontario. Asset stripping is when a large conglomerate buys up one or more smaller industries, takes them into the family and systematically strips out the assets, either the financial assets or in this case the physical plant assets, for the benefit of the parent company and generally, of course, the spinoff for the local community and for the employees is poor. This has been an ongoing problem in Britain, and it happens here all the time too. I'd like to hear your comments on what you think about that.

Hon. Mr. Bennett: I don't think anybody in government, at any level, really appreciates seeing a parent company or a huge conglomerate purchase a company and strip it of its assets or its technology and move it into another plant for production purposes. We like to think that if they buy it it's to strengthen it. That's one of the things FIRA does for us, and maybe the application of it is very well placed. If you apply to FIRA you've got to give a guarantee that you're not going to disturb certain production centres and employment factors.

We certainly don't support that type of situation. I'm not sure what type of legislation you would suggest, if you are suggesting that you'd want to introduce because just remember very clearly if there's a buyer there must be a seller. In other words, whoever owned Regal obviously had a reason for wanting to sell. If he wants to sell there has to be a buyer or there's no deal, and it can be reversed as well.

I don't agree with companies stripping the assets and leaving the bare bones for a community. The worst thing that can happen in this operation of industrial development—and I say the worst—is that everybody wants to have a new industry in their community. One of the reasons that some people are rejected or turned down by ODC, even though at the first glance it would appear there would be a valuable addition to a community, at long range we can't see where they're going to get any financial stability and what we're petrified of doing is getting into bed with them on a loan factor and finding two or three years later, when the forgiveness period has been gone through, the company folds because it just is not of sufficient stability.

That is exactly what you're talking about with Regal Paper, you've created something and then you've let it go and there are a lot of people affected. I give one thing to the

industrial sector, some very meaningful companies in this province have shown their interest, when they've had to close plants for one reason or another, where they economically are no longer viable, they spend great deal of time and effort with the Ministry of Labour, this ministry and themselves in trying to find adequate employment for the employees who are left behind. It's too bad not all companies would take the same personal involvement with their employees.

Mr. O'Neil: I know there have been comments that have just been made on the Peterborough-Lindsay area, and I know that you did visit the Belleville area this past summer and had a look—

Hon. Mr. Bennett: Several times.

Mr. O'Neil: Several times, I know. Too many times, really. I know you're quite interested in that area.

Hon. Mr. Bennett: That sounds like a political comment.

Mr. O'Neil: I suppose that you're familiar with the Belleville area and with the industrial park they have there, and they have a fair amount of serviced industrial land and they're looking for industry. Are your officials familiar with the application for annexation in the town of Trenton, the thing that has been worked out between the town of Trenton and Sidney township?

Hon. Mr. Bennett: I'm not sure whether we're advised of the situation. Our local man likely has been involved, Mr. O'Neil, but the application, of course, goes before the Ministry of Housing and the Ministry of Treasury, Economics and Intergovernmental Affairs.

Mr. O'Neil: Possibly then I could just make mention that at the present time the town of Trenton is applying for the annexation, I believe, of approximately 280 acres from Sidney township, and the two plan to go together to develop an industrial park in that area.

Hon. Mr. Bennett: The Trenton one I have looked over.

Mr. O'Neil: I would just ask that your attention be brought to that matter. Also, talking about the smaller centres, showing some interest in the Belleville area and Trenton, there are a couple of other areas, mainly Sidney township and also the village of Frankford; and I just wondered if any of your officials have been in contact with

the municipal officials in the village of Frankford who have, I believe, industrial land and also services available for the location of industry in that area.

Hon. Mr. Bennett: Yes, our land representative would likely have been in touch with the people in Frankford—I'm talking about out of our district office. I might just mention this so there's a clear understanding.

Each year the municipality is given the opportunity to submit to the ministry a stock or an inventory report on that community, which would indicate a number of things, including the availability of housing, the availability of schooling, church services, parks, recreation accommodations, and all the other amenities to life, including the sewer and water capacities, the hydro capacity and the availability of serviced industrial land and serviced residential land for development.

In other words, we have a complete index on exactly what's available in each community, so that if an industrialist should come in to see us or, in turn, we find an industrialist who is interested who tells us what his requirements are, we can try to relate it to a particular type of community that he's interested in going to.

Mr. O'Neil: I wonder if I could, just in closing as far as my part goes, ask if the people in your ministry would be kind enough to sort of review this and give every co-operation that they possibly can for the development of this new industrial park in the Trenton-Sidney area, and also if you would be kind enough to possibly contact some of the municipal officials in the village of Frankford to offer whatever co-operation you could possibly give them in helping to locate some type of industry in this smaller centre that needs something along this line?

Hon. Mr. Bennett: Yes, we always try to assist the communities, big or small, in trying to lure the industries that they happen to make contact with. I think it's realistic to say that we believe the first responsibility really rests with the municipality in trying to prepare itself for an industrial development whether it be the park or a particular industry.

I will be glad to talk to the officials. I would imagine, Mr. O'Neil, that our people have already been in and had some discussions with them. I think Trenton, if I recall correctly, is interested in making an application for the industrial parks programme under the ODC, which we will look at with a great deal of interest.

I'm not so sure that I could say to you that Belleville falls into quite the same category. I don't know any community that's had more opportunities and has taken advantage of each and every one of them in bringing industry in, than Belleville.

Mr. O'Neil: Which we appreciate. I wonder, too, if I could ask the people in your ministry to sort of keep me advised on the town of Trenton and the village of Frankford. I do express our appreciation for the interest that your ministry has shown in the Belleville area especially, and your own interest. I would also like to say that I know that on your recent visit to the Belleville area, the member was made aware that you were there and was invited to some of the things, which some of the other ministers don't do. They don't extend the same courtesy.

Mr. Godfrey: Why don't you sit over there next to Marvin?

Hon. Mr. Bennett: He's going to make that move shortly.

Mr. Chairman: Have you concluded your remarks?

Mr. O'Neil: We've got to give credit where it's due.

Hon. Mr. Bennett: Thank you very much.

Mr. Chairman: I have the following list of speakers: Shore, Godfrey, Spence and Samis.

Mr. Shore: Mr. Chairman, just to carry on a little bit on the subject that Mr. O'Neil was on, and recognizing that I don't imagine the minister would consider London to be a depressed area, but at the same time keeping in mind an expansionary concept of industrial growth and recognizing the concept that the local community has to want it and initiate it, could you just tell me what your ministry is doing along those lines to try to develop outside of just the Toronto area or the horse-shoe area that we know it as, into not only eastern and northern Ontario but into other parts of Ontario? We are consistently hearing about eastern and northern Ontario, but what about western Ontario, too? You might comment on the east and north, too, if you wish.

Hon. Mr. Bennett: The east and north have been the main target areas to try and bring new industry into, because if you look at central southwestern Ontario, they have had a lot of just natural growth and have been in good fortune. There does not appear to be, on most occasions, a real need for the gov-

ernment to move into a place like London or a place like Windsor, although I would admit in Windsor's case there are some exceptions to the rule. Most of those communities have been extremely fortunate. Industry, as seems to be characteristic of growth in any community, seems to want to move in a westerly direction and Ontario is no exception to that rule.

For northern and eastern communities we have developed industrial incentive programmes through the development corporations, provisions for opening up industrial parks and all the other applications that we have. We have spent, I suppose, as much, if not a little more time working with those communities to try and direct them—and I use the word direct—into how they should open up some of the industrial holdings lands that could be put into industrial holdings.

Mr. Shore: Has it been successful? Do you find that there is a movement taking place in that area?

[5:30]

Hon. Mr. Bennett: Yes, we feel we've been successful, I think if you go back to the statistics that I quoted, in the Ontario Business Incentives Programme, which is the one which has a forgiveness portion of it inasmuch as it defers interest and principal repayments for up to a period of five years, in that programme in 1975-76, for example, we loaned a total of \$9.4 million; 35 per cent of it went into northern Ontario, 54 per cent into eastern Ontario and 11 per cent of those funds went down into what we call the central-southwestern Ontario market.

Mr. McKessock: What year was that?

Hon. Mr. Bennett: In 1975-76. So we think it has its effects. Mind you, Mr. Shore, I'd like to keep it very clear that the initiative has to be by those at the municipal level and the industries that wish to go into those communities. We are not always able, as a government or the ministry, to persuade an industry to move in a particular direction, because the industry's calculations on costing of shipping and labour and sourcing and so on sometimes produces a very negative figure, but sometimes the incentive offered through OBIP is sufficient to tip the balance in favour of locating in the northern or eastern community.

Mr. Godfrey: I was interested in the remarks brought up by the member for Quinte (Mr. O'Neil) with regard to the Belleville situation. I was wondering, further to your

comment with regard to sector analyses, would you have carried out a sector analysis on the Belleville or Trenton area, and further to that, when you carry out the sector analyses would you then make recommendations to other arms of your agency or ministry, such as the ODC or something like that, as to certain strategies they might employ in order to encourage business to locate in one area or another?

Mr. Garland: I assume this is the industrial linkage one that was asked. The actual cities that we've worked on to date, using our own staff, are the cities of Orillia, Thunder Bay and Arnprior. We've used outside consultants for Kingston and Sault Ste. Marie. I think what we do is, basically, one of the copies would go to the industrial commissioner in that community and it's his tool then to perhaps encourage local participation. Generally you're speaking of service industry, and at the present time the volume of service industries that would perhaps come through our particular operation is not that great. They're generally started up or expanded from local personnel of local entrepreneurs.

Mr. Godfrey: I was thinking more of the sector itself, I may be wrong, but I understood you do a sector analysis on, say, the electronic industry and then, having come to the conclusion that the sector analysis says an electronic industry would do well here, you would then direct your companion agencies to encourage it by ODC grants or other things like that. Is that the correct procedure?

Mr. Garland: Yes, generally the sector analysis, at the point we're at now, does not identify that a particular sector would be better off in one part of the province or the other.

Mr. Eakins: Could I ask just one question? Would there be ever any occasion, as Mr. Godfrey mentioned, when the Ontario Research Foundation would be involved in this type of sector analysis? Or would that be completely out of their field? Would they ever be drawn in on any occasion into that?

Mr. Garland: No. The answer is no.

Mr. Eakins: Fine. Thank you.

Mr. Godfrey: I wanted to talk about the nylon film industry. Dupont of Canada has a very large agency in my riding, where it employs some 225 people in Whitby, and it is concerned about what is going on in the nylon film business. I think they've done a certain amount of investigation which points

out the market available. The nine million pounds manufactured by them has a present market available of 2.3 million pounds and that includes the export market as well. They were rather concerned with regard to the fact that Allied Chemical had been centred in Belleville and had phased out of business. I believe they're now closed and some 60 people are out of work there.

One of the questions I wondered about was whether any incentive was offered by your agencies of one sort or another for Allied to locate in Belleville, and if there was, was there any return made of the incentive when Allied closed down?

Hon. Mr. Bennett: In other words, was there a performance loan or a grant of some nature?

Mr. Godfrey: Oh, there was a performance loan of half a million dollars, I know that. Do you make an effort to recover that when they close down?

Mr. O'Neil: I know the city was very worried about just the same thing that you're mentioning. There was a loan but I do believe that the date on it had expired before—

Hon. Mr. Bennett: Yes they had passed the five-year period—

Mr. Godfrey: The performance loan was given in 1968 and it was forgiven when the company closed down. Presumably the half million dollars which was put into it as an incentive by the province thereby generated some jobs and presumably you recovered it. Would this be the correct reading on that sort of thing?

Is there any effort made to recover the loan if a company closes out just a little after the expiration of the performance period?

Mr. O'Neil: Hopefully this plant has been resold and the jobs that we figure might be lost will be retained.

Mr. Godfrey: It's my understanding the plant has closed out and—

Mr. O'Neil: I don't believe that's right.

Mr. Fleck: In any event, when you have forgiveness, that's usually on a phased basis, a certain percentage a year, and once you've passed the expiration date, they have met the requirements. You might argue that it should be a longer period or a shorter period, what have you, but whenever the period is, in

fact, over, they have met the requirements of the loan. So if it's after the expiration period, the answer would be that there wouldn't be anything to recover because they would have met the terms of the loan.

Mr. Godfrey: I see. We would presume then that your ministry had approached Allied and said, "Don't close out. You're going to close out 50 jobs in Belleville. Is there anything we can do to encourage you to stay here?" because you've already pointed out that you go and you talk with these people and try to persuade them. Presumably your persuasion was not sufficient so they closed out.

Hon. Mr. Bennett: That would be correct.

Mr. Godfrey: Then would you explain to me why we now have Canadian Cast Films Limited opening up with another grant from your ministry?

Hon. Mr. Bennett: No, not a grant. Let's keep it straight.

Mr. Godfrey: All right then, whatever it is, ODC assistance in the amount of \$600,000 to \$700,000 being given to them to start up the same sort of business.

Hon. Mr. Bennett: Canadian Cast Films Limited came to ODC. It's a company that's owned by a number of people from Belleville and the president is the former general manager and executive director of the Allied Chemical organization in Belleville. They made application to our ministry to take over the operation where Allied Chemical at one time existed, and they've been granted an OB'P loan of \$385,730 and an industrial mortgage against the property of \$96,207, which is a total of, not \$600,000, but \$482,000.

Mr. Godfrey: Correct.

Hon. Mr. Bennett: That's a little off \$600,000.

Mr. Godfrey: What's a few hundred thousand to your ministry?

Hon. Mr. Bennett: That may be so to the NDP, only a few hundred thousand, but to me it's a very important part—

Interjections.

Hon. Mr. Bennett: I am answering his question.

Mr. Godfrey: I acknowledge your figures are correct, sir.

Hon. Mr. Bennett: Thank you. And it will carry an interest rate, sir, of 12.25 per cent.

Mr. Godfrey: Thank you. Now would you explain why we're going ahead with this particular venture, with encouragement, when a company has just phased out of there, presumably because it was non-productive?

Hon. Mr. Bennett: Allied Chemical felt it was not productive and felt it had lost the market. This gentleman comes into us with his company, who headed up the firm, and he told us, I remember meeting with him, he clearly indicated that he felt there was a market position for him and that he could produce it. Obviously he's lured a number of private investors from the Belleville area, including the banks, into investing in his new company. The credibility appears to be there, according to the development corporation, its consultants and those who investigated.

Mr. O'Neil: This shows how active we are in the Belleville area to pick up some of these jobs that were lost.

Mr. Godfrey: Oh, I agree.

Mr. O'Neil: I'm also glad that you're quite interested in the Belleville area, too. I thank you very kindly.

Mr. Godfrey: Oh, that's quite right. I'm also interested in the fact that you can get the minister to come down and get these loans so readily.

Mr. O'Neil: It's been a good Tory riding for a while, but we're planning on a change.

Mr. Godfrey: Passing on from that to the development of industrial strategies, if I could just ask some specific questions, do you have an industrial strategy for the North Pickering development?

Hon. Mr. Bennett: At the moment, no.

Mr. Godfrey: There is no industrial strategy for the North Pickering development.

Mr. Fleck: Just to go back on Allied Chemical, it's a different product that the new company is going to make. Nylon film was the original product and the product the new company is making is polypropylene film. They feel there is a market for that product. Presumably, you could argue that Allied could have done the same thing, but what makes the free enterprise system so interesting is the differences of opinion among people as to what will sell and what won't sell. The successful ones do all right and a few don't.

Mr. Godfrey: I can appreciate that and I can appreciate the definition of private enterprise. I'll be quite happy to hear whether the loans or whether there are further grants a year from now—

Mr. Fleck: These aren't grants.

Mr. Godfrey: I said the loans and I asked whether there are further grants. I believe I was quite clear on that. You got that, didn't you?

Mr. Fleck: There are no grants.

Mr. Godfrey: I am asking about further grants to the industry. You have already given a grant of half a million dollars to develop plastics in that region, and it went down the drain. Didn't it? That's further grants. That's what I mean there.

Mr. Fleck: First of all, there would have been jobs provided. It's certainly not the desire that the jobs wouldn't be there after a limited period of time. There were jobs for that period of time. Secondly, at the present time, so far as I'm aware, ODC does not have any grant programmes. It does have some programmes that defer and give an interest amount. But at the time, in 1968, there were some programmes where there were, I think, forgiveness loans or performance loans. Those don't apply at the present time in our programme.

Mr. Godfrey: Could we go back to North Pickering? You have no industrial plan.

Hon. Mr. Bennett: Until we are finalized on exactly what is to develop in North Pickering as far as other developments go, it is our intention to try to get into a complete development strategy.

Mr. Godfrey: Could I just have clarification of that?

Hon. Mr. Bennett: You are talking about the major industrial park that was proposed or is proposed in the Pickering development?

Mr. Godfrey: In the North Pickering development. With regard to the 25,000 acres of land which were expropriated at a cost of \$200 million, plus carrying charges at \$997,000 per year, and which is supposed to come on line to put houses and industry on line, you do not have a plan? You haven't been approached?

Hon. Mr. Bennett: Oh, yes, we have been involved in discussing the planning process. If you are talking about the specific type of industries, then no.

Mr. Godfrey: Is there any way of finding out what are some of your plans or some of your designs or some of your conversations? As a representative of areas in the south which are very hungry for industry—and we are not as badly off as Belleville because we have a fair amount of private enterprise too, mind you—we would like to know.

Mr. O'Neil: I'd like to correct that about Belleville; on point of privilege. You are sure showing some interest down there. Are you planning on changing your riding? I don't quite go along with that statement. I'd like to see it even better, but it is pretty good.

Mr. Godfrey: My son is farming out at Madoc.

Mr. Samis: Could we come back to North Pickering?

Mr. Godfrey: My question was when can we expect some sort of information to be passed on to the people in the south end of the riding who are trying to attract industry as well? Have you actually counselled any industries that it would be a good idea to go to North Pickering? Would that fit into any of your sector analyses at this point?

Hon. Mr. Bennett: No, we haven't. The sector analysis again is an overall position of a particular sector of the economy or the industrial community. I think you are going back to the industrial linkage.

Mr. Godfrey: If I could clarify, when the Treasurer (Mr. McKeough) pointed out the type of industry that was to go into North Pickering, he specified chiefly service industry. I didn't know whether you had worked out a strategy as to how all the service industries could get in there.

Could we move on Do you have any knowledge of a dispersement plan or some type of activity whereby General Motors will be gradually moving out of Oshawa? The Minister of Labour (B. Stephenson) referred to it in answer to a question during the Labour estimates. She said she had heard something to that effect. I was wondering if they have been consulting with you?

Hon. Mr. Bennett: It would be interesting if I might give some of the positions about where this information came from. I say very clearly to this committee that the Treasurer, the Provincial Secretary for Resources Development (Mr. Irvine), the Minister of Housing (Mr. Rhodes) and myself met with people from General Motors a few weeks ago because of stories that were going around

about General Motors and its relocation or the possibility of relocation. General Motors, as you know, owns a fair tract of land up around Guelph, in that general area of the province. They already have a national parts depot operating out of Woodstock, which was built there about two or two and a half years ago.

[5:45]

Part of the lands presently is zoned for industrial use and the balance of the land is zoned in a way that it could accommodate future development, if it should come about. We are assured by the people from General Motors and I have no reason to doubt it because their capital investment in the Oshawa area is astronomical—they have taken some of the old buildings down to try to improve and extend some of the lines to get a higher volume of production—it is not their intention in any way, shape or form, whatever they do in other locations of the province or in the country, to minimize the employment factor at Oshawa.

Mr. Godfrey: Are you aware that approximately 300 jobs are being phased out there now and moved to Woodstock and London or wherever it is?

Hon. Mr. Bennett: It was some time ago I understand that the jobs were phased out.

Mr. Godfrey: It's in process now in the CKD plant.

Hon. Mr. Bennett: Phased out in what was the national parts depot. General Motors has a problem and I don't know how anybody in this room is going to resolve it. They just don't have any more land available in the Oshawa area—to develop, that is—adjacent to their plant location at the moment. That's one of the problems they are really confronted with. The one plant they did take down—they admit it—was the battery plant they had had in Oshawa which had become antiquated by new technology standards relating to lead and so on.

Mr. Godfrey: I don't think you heard me saying the CKD plant—complete knockdown plant—is being moved out either to Tillsonburg or Woodstock. The parts and service department is being moved out, which constitutes jobs for some 300 people. I presumed you would have heard of that because it's a matter of job and industrial relations. Apparently you have not been informed of that.

Hon. Mr. Bennett: If they are plans of less than three weeks I would not have been in-

formed. Three weeks ago I did meet with the four chief officers of that company in Canada along with the others and I can assure you the expression given to us was that they were in no way deferring—the problem was they have in their possession now several hundreds of acres at Woodstock which gave very high visibility to General Motors because people felt they were going to vacate Oshawa completely, which is not the case at all.

Mr. Godfrey: Your ministry would take the position that inasmuch as there is a large investment there and a very large expert work force you would encourage them to remain there?

Hon. Mr. Bennett: They recognize that, too. As much as anything else, they recognize the quality of the work force they have been able to develop over the years in that community. I might say that as a responsible corporation, they also realize the significant impact they have on Oshawa and that if they made any major change it would be very difficult for either the city or the provincial government to go in and pick up the pieces.

Mr. Godfrey: Thank you. Looking at the factors which you would consider in asking industry to remain in a certain area, do you consider sort of general factors such as—can you bring any pressure or any advice to bear upon municipalities where we find there are certain conditions which are being promoted, through a variety of reasons, which make it unattractive for industry to site there?

I am particularly concerned with water rates in the Whitby, Ajax, Pickering region which have gone up astronomically by some 400 per cent. That constitutes a fair amount of some industries' working profits, as it were. The rates have gone up largely because, presumably, regional government is now building on a different system.

To cite a specific case I have a large record company in our area, Keel Record Manufacturing, which has a \$1.2 million payroll per year and which has been very seriously thinking of relocating because of what is going on with the water rates. It can see this applying to other rates as well. The water rates have gone up by a very large percentage.

What would be your action in that particular case? What help do we get from a visit from the minister to help us persuade those people to remain there? Incidentally, this is not the only industry; there is a number concerned about this.

Hon. Mr. Bennett: I don't know what action at this point has been taken by the municipality itself.

Mr. Fleck: What was the dollar increase they were paying?

Mr. Godfrey: They have gone up from \$453 to \$2,900 per month. They use a lot of water. It's a record manufacturing firm and they use the water for cooling the records or something like that. We also have a number of plastic industries which have the same problem.

Mr. Fleck: That's \$2,500 a month?

Mr. Godfrey: That's my understanding.

Hon. Mr. Bennett: That's gone up five times, in other words. There are two things; I don't know what approach they have made to the municipality at this point—

Mr. Godfrey: They have protested to the municipality and they have been trying to get a hoist on it.

Hon. Mr. Bennett: Are they actually consuming the water, using the water?

Mr. Godfrey: No. They pass it through. It's used in order to cool stuff and it's put back in the drains as pure as when it came to the factory.

Mr. Fleck: But would a company with a payroll of \$1.2 million really be thinking of moving even if—

Mr. Godfrey: They are on the verge of relocating. They have grown too big for their present factory and they have to relocate. The question becomes, "Should we relocate in this area where we are obviously facing a lot more expenses as a result of the region being there, which we can do, or should we talk about going to Woodstock with General Motors or something like that?" My question to you, in trying to maintain this industry in our area, is what can you do to help our municipality to keep this industry here? You were very good with Belleville. Can you help us?

Mr. Fleck: One thing you could try to do is look at the facts—

Mr. O'Neil: Send them to Belleville.

Mr. Fleck: —and make sure there were real factors which were a serious deterrent to remaining there.

Mr. Godfrey: I agree, Mr. Fleck. This is quite true but I am a humble MPP. I am

not an industrial development agency such as you are and this is your job. I am presenting it to you and I want to know what you can do to help us.

Hon. Mr. Bennett: I would have to think maybe a little bit of initiative should have been taken by the municipality. Let me take a little bit of the response. It's their water system and they are producing it. I can tell you, as a former member of the council of Ottawa, that we had several companies with which we made special arrangements—because of the very situation you speak of—to reduce their water account. Obviously, we realized there was an excessive amount of water being used by the firm because of a certain process but it wasn't detrimental to the sewage system.

Not knowing the exact situation I would think that maybe we could have somebody talk to the municipality and see what they can do.

Mr. Godfrey: That's very kind of you. Thank you, Mr. Minister.

Mr. Garland: Could I comment on that? It has to do with our energy plan. Part of the service we provide is to go in and look at the consumption of all types of energy and I think we would be glad to go in and work with the man on a recycling system. The time is long past when people ran water down the drain. If you were to give us—is it Keel?

Mr. Godfrey: Keel Record Manufacturing. I would be happy to refer you to Mr. Hayes.

Mr. Spence: When we are talking about industries in cities, villages and towns, in southern Ontario there is certainly need for some light industries in our towns and villages. I think you will know, if you look at the voters' list, every year the population is going down. After the students graduate from grade 13, they have to go to London or Windsor or Toronto to get their university education. Actually the towns' and villages' populations are going down and there is a need for light industry which I have brought up a number of times in the past.

We have been very unsuccessful in having any industries locate in those towns. We have some of the population driving to Sarnia or London every day. Also, we have people from London, who have good jobs in London, coming to live in the towns and villages in southwestern Ontario. It is very unusual that we can't get some small industry to locate in some of those towns in which there is land. There are homes which can be

bought, I would say, at prices a lot different from those in the cities. They are coming from the cities and buying these homes and living in the villages and towns in south-western Ontario. This is very unusual.

We have businessmen's associations in our villages and towns and we have chambers of commerce which have been working on some light industries to locate where to keep those students who graduate and get a diploma, so that they come back to these towns and villages and make their livelihood. That hasn't been the case so these businessmen and chambers of commerce would like an opportunity to meet some of the officials of companies which wish to locate in Ontario.

In southern Ontario it isn't too bad a living, but they haven't been able to get in contact with officials of companies—not big companies, small companies—to discuss it with them and offer them or inform them of what they could look forward to if they located their industries in those towns and villages. I have often wondered if it would be possible in some way in your ministry, when there is an industry which you know is going to locate in the province of Ontario, for these businessmen's associations or these chambers of commerce to have an opportunity to meet them and discuss it with them. There might be a war over who would get in the room first, but we would take our chance with the rest of them.

I think if they could meet some of these officials—I know you can't say, "You locate in this town or that village or this city" but there ought to be some way so they could meet the officials of companies which wish to locate in the province of Ontario.

Hon. Mr. Bennett: Mr. Spence, I'm not sure if you were here when I mentioned the inventory report we get from each municipality on an annual basis. It affords us an opportunity, if a particular industry wants to locate in Ontario either because we were able to find it or company officials walked in and indicated their intention or desire, to try to relate to that community. We give the officials a choice of three or four and they can work it out for themselves.

Our people would take them to see these different communities and when we get down to two communities or thereabouts, we would introduce them to whoever in the municipality happens to be responsible for the industrial development programme. That's why we have been suggesting, under the Industrial Parks Incentive Programme of the Ontario Development Corporation, that one of

the conditions we have made for a successful application is that either individually or on a part-time basis they retain an industrial development officer.

Then there's somebody who is out seeking industries wishing to locate in that community or expand or come to the province on an initial basis. I offer the assurance to you as a member that we do try to relate them to communities and make sure they get in touch with the right people. If you have one or two communities in particular that you are thinking of, we would be glad to go back and make sure that we have the inventory report. I say make sure we have the inventory report because some municipalities do not bother to take the time to complete it, even with the regional representatives we have from our offices going to see the clerks and so on of some of the municipal jurisdictions. For one reason or another, they just don't bother taking the time.

Mr. Spence: Some of them now are getting down and they can't afford one of those.

Hon. Mr. Bennett: That's why I say part-time. I think Brockville has to be a good example. Brockville's industrial commissioner is the former mayor who volunteers his time and a very effective fellow he has been.

There are two or three others across this province who do the development work and their expenses are paid but they are not on a salary. They realize the inability of their community to hire a full-time individual but they have had some expertise either because they have been in the real estate industry or some other sector of industry and they have been able to work in very well.

We would be glad, if you have a list of one or two communities or more, to sit down with you and see what we can come up with. I do not wish, as Mr. Samis knows, to take the position of saying, "I think you should go to A, B or C location." If that happens I will have some people in a little place known as Ottawa wanting to know why all the industries aren't coming to that particular jurisdiction.

Mr. Spence: When an industry comes to locate in certain places in England, don't they have to go where the government says so?

Hon. Mr. Bennett: Not to my knowledge. I suppose that is when the government of the country nationalizes them.

Mr. Samis: You are back to your pink herrings.

Hon. Mr. Bennett: I don't know about pink herrings. I have never seen a pink herring. Some day I would like to see one but I will tell you what the realistic looking herring is.

Mr. Chairman: I have two speakers left on this vote, Mr. Samis and Mr. Lane. It is now 6 o'clock. We will recess until 8 p.m.

The committee recessed at 6 p.m.

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 Bennett, Hon. C.; Minister of Industry and Tourism (Ottawa South PC)
 Earkins, J. (Victoria-Haliburton L)
 Godfrey, C. (Durham West NDP)
 Kerrio, V. (Niagara Falls L)
 McKessock, R. (Grey L)
 McNeil, R. K.; Chairman (Elgin PC)
 O'Neil, H. (Quinte L)
 Samis, G. (Cornwall NDP)
 Sandeman, G. (Peterborough NDP)
 Shore, M. (London North PC)
 Spence, J. P. (Kent-Elgin L)
 Williams, J. (Oriole PC)

Ministry of Industry and Tourism officials taking part:

Fleck, J. D., Deputy Minister
 Garland, M. L., Executive Director, Division of Industry
 Graham, J. J., Director, Service Industry Branch
 York, P. A., Assistant Deputy Minister



Legislature of Ontario Debates

SUPPLY COMMITTEE—1

**ESTIMATES, MINISTRY OF
INDUSTRY AND TOURISM**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, November 23, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

**THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

TUESDAY, NOVEMBER 23, 1976

The committee resumed at 8 p.m.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (continued)

On vote 2102, industry development programme:

Mr. Samis: I just have a few matters I'd like to bring up with the minister. First of all, I was rather amused to note this afternoon, in replying to my colleague from Peterborough (Ms. Sandeman) and talking about industrial strategy and the free enterprise system, that the minister somehow compared it to a family and suggested that you can't force children to do something. That doesn't surprise me. The minister, unless things have changed, is in the same marital condition that I'm in, and I was a little surprised that, speaking to someone who is the mother of three children, he would dare to give advice or an analogy on that particular basis.

Hon. Mr. Bennett: Aside from the fact that I have five brothers and one sister, which does give me some degree of understanding of what a family is all about.

Mr. Samis: Not equal to that of parenthood though.

Mr. Angus: Is that free enterprise in terms of giving advice?

Hon. Mr. Bennett: Ask my father that question. Don't ask me.

Mr. Samis: I'd like to take up three areas with the minister in terms of industrial development. One is an industry which is ailing in this province, has been ailing for a while, and that's the textile industry. It affects three major communities in this province directly, as you well know—Cornwall, Millhaven and Cambridge—and some others indirectly.

First of all, I would pay credit to the minister for having taken a strong stand on behalf of the Ontario textile industry vis-à-

vis the feds. I also acknowledge the fact that a great deal of the problem is directly tied in with imports and quotas and federal trade policies and GATT, et cetera; but I would like to know, in the last six months, what exactly is it that this minister has been saying to his federal counterpart, what exactly are the feds telling you, where do things stand now? And from your perspective, is there any hope for any significant change that would help the textile industry in this province? Are you getting any glimmer of hope beyond what was announced earlier this year by the federal minister?

Hon. Mr. Bennett: Mr. Chairman, before we commence, just talking about the textile industry, I think we should include the apparel industry, which is the end industry before the consumer. We've been talking to the federal government relating to textiles and apparels and our discussions started, I guess, over two years ago, really, down in St. John's, Newfoundland, when I brought to the attention of the Quebec minister, Guy Saint-Pierre, and the Manitoba minister, Dr. Evans, the fact that it would appear to us that both these areas were in some difficulty in our province and from what we could project from that they were also going to be ill affected in Manitoba and in Quebec.

I was really somewhat amazed at that time to find out that Guy Saint-Pierre and his ministry in Quebec were not really aware of the fact that inroads were being made by third-world nations in the field of textiles and apparel.

Mr. Samis: Did you say you were surprised they were unaware of it?

Hon. Mr. Bennett: Yes, that's what I said. They were glad I raised the question and brought the point forward at the federal-provincial ministers' conference relating to textiles and apparel. Quebec did not seem to be aware of the fact, and Manitoba to some degree, that there were really strong inroads being made into those two industrial sectors by third-world nations.

Mr. Samis: The Quebec thing would really surprise me considering the role of the industry in that province.

Hon. Mr. Bennett: You need not feel surprised because my advisers from the ministry and I in the province of Ontario were also greatly surprised, although I must say that the next day I attended a meeting in Quebec City with Mr. Saint-Pierre and also attended the National Assembly in Quebec at that time. One of the first questions happened to be about the textile industry and what the government was doing in regard to the in-roads being made by foreign industries into that field.

Since then, Quebec, Ontario and Manitoba have worked very closely with the federal government in trying to formulate policies and programmes that would give some assurance—I'm not saying protection—to Canadian manufacturers in the textile and apparel industry that there would be a domestic market for them. During that period, we have had meetings with people at various levels of industry, including management, the investors or the owners, and union representatives, as to what we can be doing in Canada to make things start to tick a little better.

You'll recall some months ago Mr. Jamieson was the federal Minister of Industry, Trade and Commerce. After presentations by the provinces, after presentations by the industries, and after presentations by union organizations, he brought into effect a policy which would reduce the number of imports from some of the third-world nations, based on the poundage that they could import into Canada, and it has assisted for a period of time. I'm aware of the fact, Mr. Samis, that there are people in your riding, in my riding, throughout the province of Ontario and indeed throughout Canada that bitterly oppose that kind of legislation because they think what we're doing is forcing them into buying products of a higher end-cost factor. There might be some truth to it, except that if we let all the industries in your community and the various others up along the Seaway go out of existence, there would be quite a well-fare cost to the nation and to the province.

Anyway, Mr. Jamieson implemented the policy and I think it's assisted on a short-range basis. The one thing that does disappoint me is that, while the federal government is aware of the conditions that prevail in the textile and apparel industry and the severity of the conditions that are being imposed on the local industry by outside forces, they are not able to move rapidly enough,

in my opinion, to stop up the widening gap that we're experiencing in domestic sales versus foreign sales.

In a period of just a few short years, we have lost a number of percentage points of the domestic market to other than Canadian-produced goods. There's no misunderstanding by anyone on this resources committee. Canada can compete with any of the manufacturers in the United States or the European Economic Community. The degree of technology and understanding, the ability for productivity and so on, are as effective and as far ahead in technology as any of the two markets I've talked of. It's when we start to compete with people from Hong Kong, Singapore, Korea, Taiwan and some of the others, we're just out of the ball park. We're not in the same game at all. These are the areas of production—

Mr. Eakins: What are they doing in other countries besides Canada?

Hon. Mr. Bennett: I'll come to that. The fact is that we're out of the ball game as far as those countries are concerned. Their labour costs and so on just dwarf the situation in Ontario and in Canada. The cost per man-hour in some of those countries for a whole suit is no more than it costs in Canada to sew a button on a jacket.

In the United States—and I give the Americans full marks—once they find their domestic market being eroded by these imports, they take a very unilateral move and say that's it and throw up a barrier. Without getting into the exact word, it really is a protection to the domestic industry. The last time we experienced that in Canada—and I'm not wishing to get into party politics but I'm going to make it very clear—was at the time that Donald Fleming was Minister of Finance. At that time he was persuaded and convinced by the textile and apparel industry—that's many years ago—that a wall had to be thrown up to protect or to give an assurance to Canadian industries that their investment was well placed and that the long-range potential was there. That's really what we've been trying to convince the former minister, Mr. Jamieson, and now Mr. Chretien. I think Mr. Chretien is very sensitive to it. Being a representative from the province of Quebec, he realizes that any further erosion in this industry is going to have a very, very extreme effect on the area that he best knows, which is the province of Quebec.

Mr. Samis: Can I get you right up to date with the new minister now? I believe you

had a meeting with him two weeks ago; didn't you tell me that in the House?

Hon. Mr. Bennett: No.

Mr. Samis: Or scheduled?

Hon. Mr. Bennett: I said he is to meet with the advisory council on the textile and apparel industry. This is an advisory board that was established at the time Mr. Jamieson was the minister.

Mr. Garland: Originally it was an ad hoc committee. They reported on July 31 and then there was a follow-up. As part of it, an advisory committee was appointed which had three objectives. One was to work with the textile tariff board examining at least 10 principal pieces of garment as to the impact of what their situation was in Canada. Two, it was to improve the administrative measures that existed with the textile tariff board and ITC in Ottawa. Three, it was geared to examine things on the basis of article 3 and article 4. Rather than get into the details of those vis-à-vis the ITA agreement with the other countries of the world, I suppose the easiest way to describe it is to say article 4 is to make an agreement in advance of what is happening and article 3 is what exists and can be used now to examine the damage that occurs after it happens.

Mr. Samis: Can I just bring it up to date? Thank you for that explanation. What is it right now that you're saying to Mr. Chretien and what is he saying to you right now after this meeting occurred two weeks ago or so?

Hon. Mr. Bennett: Mr. Garland is the one with the expertise on this.

Mr. Garland: There have been two meetings of this advisory committee and the next one is scheduled in December. The industry in the three provinces, Manitoba, Quebec and Ontario, as well as the unions, met in Montreal just prior to the second meeting to draft up a request that Mr. Chretien consider almost a blanket stop on what is coming into the country. I think perhaps the problem might become a little greater at the present time before it begins to improve. The minister has in effect sent a letter to Mr. Chretien endorsing that particular position. The Textile Board will not report on this study until next June. I think that is really too long. There actually has been the request for immediate action. As of the present time, there has been no response to the letter that Mr. Bennett sent to Mr. Chretien, asking for action, although Mr. Chretien spoke to the annual meeting of the Canadian Textile Institute in

Montreal two weeks ago, where in effect he promised some immediate action. At that point in time there has been no response to the letter, but the promise publicly has been made in a speech that some action would be taken.

Hon. Mr. Bennett: The industry has clearly indicated to the minister through the various provinces and directly to him what is happening in the market place. What we're trying to say to Mr. Chretien in good faith with the comments made by all of us, even though we haven't got them all factually presented in the report, is why not put the stop order on some of the imports until we have a confirmed position, so that the industry isn't further eroded as far as employment is concerned.

Mr. Samis: I realize there are many ramifications which go beyond the provincial jurisdiction that we could get bogged down in. I would just like to make the comment that I hope you would establish a close relationship with the new Minister of Industry and Commerce in Quebec when he is named on Friday. I think you realize the value from your past experience of interprovincial co-operation in protecting our regional interests in the overall context of a national trade and import tariff policy.

[8:15]

What I would like to ask you is that, with this industry in serious trouble across this province and the province of Quebec, do you have any strategy vis-à-vis the future of communities which may be seriously affected if the present pattern continues? I realize they represent three different regions of the province in a sense, but are you making provision?

For example, I'm thinking of the rather massive layoffs at Millhaven and the effect that has on a region like that. Are you looking ahead, if there is no change in the present trend within the textile industry, to some form of other industry or trying to attract new industry in those areas, because these are potential trouble spots in the Ontario economy?

Hon. Mr. Bennett: Yes. I might say that in a couple of them we have already started to do some work. I shouldn't say already started; we have been in the process of discussing with some of them the possibility of other changes. I might also say, insofar as the textile industry is concerned, we have had discussions with people who are presently in that industry and who own plants as to whether there is not some diversification of the industry they represent that could take place in those communities.

The textile people are very much aware of the enormous impact that they play in the communities that you have mentioned, and they will try to supplement, if I could use that word, the positions of those plants as soon as possible.

Mr. Samis: My concern in my community of Millhaven would be that the proprietors of those plants are not Canadian. They are part of a world operation.

Hon. Mr. Bennett: I don't buy that. You say they are not Canadian. Let me tell you, the fellows who run those plants, both in Montreal and at the local level, are Canadians.

Mr. Samis: Montreal is a little different from my community of Millhaven.

Hon. Mr. Bennett: They are Canadian. The people who are running the Canadian companies are Canadians. While their parent operation might be other than Canadian, the fact is those people are committed to trying to make the economy of Ontario as prosperous as possible.

Mr. Samis: Oh, I don't deny that. All I'm saying is that they are answerable to people outside of this country who have other demands placed upon their capital and their overall policies which they have to contend with.

Hon. Mr. Bennett: It's very interesting that when I spoke to Dominion Textiles and a few others, there are still some Canadian shareholders that are interested in knowing what their assets are doing in certain locations.

Mr. Samis: Sure. I'd like to move on to a second matter, the Rosemary's Baby of eastern Ontario; that is, the Spencerville industrial park. Could you bring me up to date on that? I believe we've had a feasibility study, the results of which have been reported to you, I understand. Where do we go from here now on that?

Hon. Mr. Bennett: There still is some further work to do, but what they did was an assessment of the usable lands within it and the types of industries that might be located on those lands as weighed against such factors as construction and plant location. From this point on there will be more detailed operations, if possible. At the same time, Mr. York and others within the ministry are talking to some major operations in Ontario and outside of Ontario for future plant expansion or development. We have one that we'll be meeting with tomorrow.

Mr. Samis: Can I ask you, in terms of the industrial development of eastern Ontario, what role you are assigning to Spencerville and what sort of priority it has?

Hon. Mr. Bennett: Major industrial use.

Mr. Samis: Major industrial use?

Hon. Mr. Bennett: I think as I said last year, at the time that the park was announced, it is not our intention to find industries going into Spencerville or Edwardsburgh, whatever you wish to call it, that could be easily placed in, let's say, an industrial park in Cornwall, Kingston, Ottawa or some of the other surrounding communities. We're looking at major plant developments where multiples of acres—and I'm talking of hundreds of acres—will be required, for plant location.

Mr. Samis: Would you consider Hydro as an occupant, if they decide to go ahead with their expansion plans in eastern Ontario?

Hon. Mr. Bennett: Yes.

Mr. Samis: Would you not preclude Spencerville from being used by them as a possible site?

Hon. Mr. Bennett: It depends on what they're planning on doing. You know, you're giving me a pretty wide-open question. If it was a major thermonuclear plant development, they're not always easily placed in municipal parks or near a municipality, as you know. But if it fitted into Edwardsburgh and could be a viable industrial development for eastern Ontario, we would have no hesitation. Again, I say to you, that if it means taking it away from another municipality, we would just as soon see it go to a municipal industrial park than into ours.

Mr. Samis: The third and final matter I would like to bring up is one that was brought up by my colleague from Fort William (Mr. Angus); that is the question of the film industry in Ontario. Could you give me an idea what your policy is as to that as an industry? Do you see that as a viable industry worthy of considerable government support? Do you see it as a branch plant of an American industry? Do you see it as a fringe industry that really should be assisted primarily by Ottawa rather than the province? What exactly is your policy vis-à-vis a Canadian film industry in Ontario? I put that in this context.

It seems when you are talking about the film industry in Canada, it's broken down according to language. Quebec is obviously the centre for the French-language film industry in this country. Except, I suppose, for BC, Ontario is almost exclusively the centre for English-language films in Canada. I'm talking about Canadian-made and Canadian-produced feature length film in this country.

Hon. Mr. Bennett: I'll ask Mr. Garland to handle that.

Mr. Garland: I think when we first decided to get involved in the film industry in trying to separate it from the role of culture and recreation, our main thrust was towards jobs. I think if you look behind the five or six people that you see perhaps in the feature film and what you see on the celluloid, you actually have 7,000 people from Ontario who, for whatever reason, would prefer to do their own thing, as it were, in the film industry.

Unfortunately, at the present time they have not been able to do it and what they're doing is not what they'd really like to do. I think it was from that position that we really decided to go to see what we could do for the film industry, trying to keep apart the cultural needs which would be handled by Culture and Recreation. That's the reason really for the sales missions that were carried out and the film location. As for the film location, what we are trying to do there is bring a major company to make a film in this province. When they make a film in this province it provides employment to the people who process the film and who are behind the cameras and not seen in the actual film. In a sense the idea is the training and the job opportunities. It doesn't give the ultimate opportunity to the producers. That's the group that perhaps is left out of the picture.

Mr. Samis: Nor to the creative people.

Mr. Garland: I think there are opportunities for a fair amount of that. If you are looking at that industry as being basically creative, there are a vast number of creative people at different levels who get creative results.

Mr. Samis: I would hope that you wouldn't set up the idea of bringing in a Buffalo Bill, Ontario-style picture as the goal of your policy because that creates jobs in small towns.

Mr. Garland: No, but I think what the minister mentioned before is that you find many other provinces, particularly BC and many of the states of the United States make a distinct, sincere effort to try to get films located in an area with that role in mind. In the whole role of trying to create a feature film industry as such, I guess the minister's concern as far as we are concerned is culture and recreation. If we concentrate on the aspect of jobs and jobs alone, if that is the role, at this present time we are creating more jobs and more opportunities for them in the field in which they were trained, whether it was in a community college or what.

Mr. Samis: It seems to me what you are saying is you accept the branch plant philosophy and you're quite willing to have that in Ontario, as long as they do a few films in Ontario.

I would like to ask the minister whether he has had representation from people like the Canadian Film Makers Council or others. Is he satisfied that a Canadian production with Canadian talent in this province can compete fairly and have equal access to the marketplace? I specifically think of the question of distribution and exhibition, which partly comes under the feds and partly under Culture and Recreation. As an industry do you think they can compete fairly in this province and do you really think they have an equal chance?

Hon. Mr. Bennett: Are you talking about feature-length films?

Mr. Samis: Yes, feature-length films.

Hon. Mr. Bennett: No, I don't.

Mr. Samis: Then what are you doing as the person who represents this industry via the government to try to influence your colleagues in Culture and Recreation and the federal government to do something to help this Ontario industry compete and have a fair chance?

Hon. Mr. Bennett: If you ask the question as to whether we have a first-class film versus a first-class film, I think we can compete, but there is some difficulty.

Mr. Samis: I'm not asking you that.

Hon. Mr. Bennett: Then the question doesn't really have the substance such that I can answer.

Mr. Samis: Sure it does.

Hon. Mr. Bennett: I'm saying if it is an equal product to what's being produced in other places, then we are not in a competitive position.

Mr. Samis: I'm merely suggesting this is an industry in this province which has potential. No one will deny that. There are problems all along the course. All I'm asking you as the Minister of Industry and Tourism is what are you doing to ensure that they have a chance to compete with their competition, which is almost exclusively American, on a reasonable and fair basis?

Hon. Mr. Bennett: No, it is not.

Mr. Samis: I said almost exclusively.

Hon. Mr. Bennett: The major portion of films last year came from a country known as China.

Mr. Samis: But they are not shown in Canada and they are not shown in Ontario in the most commercially patronized institutions of this province. Take Toronto, for example. All I'm saying is what are you doing to give this industry a fair chance? I realize there are other jurisdictions involved. All I want to know is what you're doing to assist this industry to have a chance in this market?

Hon. Mr. Bennett: As I said to you earlier, through our trade missions, we are affording them the opportunity of going to foreign markets to sell their films for feature film presentations—such as "The Man who Skied Down Everest"; we made some arrangements for them.

Secondly, we've opened up certain markets for features which relate to television and education.

Mr. Samis: My point here is that the survival of this industry is based on access to the market in this province and they have a very limited opportunity of getting into it in the first place. We talk about exhibition and distribution in this province—talk to any film maker and he'll tell you the problems he has competing. Surely that's part of the industry of Ontario?

Mr. Fleck: You can't make people go to see a film.

Mr. Samis: They're just asking for a chance to compete on an equal basis with their American competition.

Mr. Fleck: They have that.

Mr. Samis: I would suggest they don't have it at all if you look at how the system is

structured and controlled right now. The federal minister has said so openly and I think the federal Minister of Communications has brought up the matter as well. The thing is that in Ottawa they don't seem to know where they want to go. They talk about it but they can't seem to get a coherent policy.

Hon. Mr. Bennett: If I follow you, you are talking about the national or international film houses, theatres, which select the movies which will be distributed to their theatre chains throughout Canada and the United States and so on. Some of our Canadian films have been able to participate very—"The Man Who Skied Down Everest," I think, is doing—

Mr. Samis: Which film?

Hon. Mr. Bennett: "The Man Who Skied Down Everest," which was made by a Canadian producer, an Ottawa producer, Crawley Films.

Mr. Samis: Okay, Crawley.

Hon. Mr. Bennett: It's been able to do fairly well. Through our ministry they found a European buyer of the film, and I hope within the next week or two they'll make an announcement which will relate to very substantial sums of money. They have said to us they'd like to have certain exclusive rights or protective rights or compulsory rights by which the Odeon Theatres, 20th Century Fox and whatever else is involved will have to show their films. As my deputy has already said you can put that force position in but if people don't go to see them, the profitability of the theatre starts to raise some questions.

Mr. Samis: I just point out that over 92 countries in the world have some form of legislation to assist their film industries in getting access to the markets. There is a variety of ways of doing it but over 90 countries have some form of legislation. I acknowledge that some of this goes beyond your ministry.

Hon. Mr. Bennett: Far beyond.

Mr. Samis: In closing, Mr. Chairman, I'd like to say I would hope the minister would take a serious interest in the problems of this industry. From my experience of his visits to my particular riding I know he's a man who has—I'm frankly surprised at his extraordinary interest in colour. I notice when the minister comes to my riding—

Hon. Mr. Bennett: Blue is always a great colour.

Mr. Samis: —he has a great capacity for discovering blue in his environment. He immediately seizes upon the occasion to glorify the colour and the merits of that colour to the audience whoever they may be.

Hon. Mr. Bennett: That's right. I have no fear of recognizing blue as one that—

Mr. Wildman: Do you want blue rooms?

Hon. Mr. Bennett: If the minister can translate his interest in colour to the film industry, I think the film industry would be extremely healthy in this province.

Mr. Wildman: Do you want blue movies?

Mr. Samis: We'll let the minister respond to that one.

Hon. Mr. Bennett: It's amazing how the socialists all know about blue movies, isn't it?

Mr. Samis: Don't tell me you don't; now come on.

Hon. Mr. Bennett: No I don't watch them.

Mr. Samis: We didn't say he did, either.

Hon. Mr. Bennett: I get them in reality.

Mr. Yakabuski: Talk to Mr. Ziemba. He doesn't know about blue movies.

Mr. Samis: You must have them your way, too.

Hon. Mr. Bennett: Mr. Samis, one of the things we have to try to accomplish in this province and this country—it has nothing to do with Ontario; I think it has to be more of a national situation—is to get some unification in the film industry. We have various sectors of it and they're going off, because of their own selective interests, in different directions.

I recall a day not so many months ago in my office when by chance it happened that I had representatives of two of the three sectors of the film industry make appointments to come in and see me. It was amazing. One came in in the morning and he had nothing good to say about certain aspects of the industry and certain people in the industry. The fellow who came in in the afternoon was the fellow the first fellow had been talking about and he started and he had nothing good to say about either of the two fellows who were in opposition to his views. It depends on which position you happen to be working.

I have tried to bring them together, through the people in our ministry, to understand that we're not going to succeed if we're

fighting ourselves. That's really what we've been doing—not only in Ontario; as I say it's right across Canada. In the film industry we have not been able to find an understanding of what they really want. Each one has an idea what he wants without worrying about what the industry wants.

[8:30]

Mr. Samis: Can I just conclude, Mr. Chairman, by saying I would hope that the feds and the province would stop this game of ping-pong and get down to business, and try to do something for this industry. Thank you, Mr. Chairman.

Mr. Reed: Just pertinent to the subject of the film industry, I'd like to express my vested interest here. I would like to know where the interest of the Ministry of Industry and Tourism ends and the Ministry of Culture and Recreation begins vis-à-vis the film industry? It seems that the Ministry of Industry and Tourism has encouraged the production of film in Ontario, but that has been of the imported kind; that is, film that is financed, probably directed, budgeted and starred by people from outside this country. The product is made here because it's a darn good idea for a film maker to make a film in Canada. We've got the best technology, we've got very competent talent, I might add, and it's a good tax write off.

At any rate that's very good, and I think the people who are involved in the industry directly are very much aware and very appreciative of those opportunities, especially those work opportunities, for performers, for technical people and so on, but still there is this quest to have a Canadian film industry. There is an Australian film industry, there is a British film industry, there is a French film industry, a very active Japanese film industry and so on. As my friend pointed out, there are elements of assistance in every place where the industry thrives. The truth is that when you make film, you may make 20 films and have one emerge as being a marketable commodity on a world-wide basis. That's the way every country operates its industry and that's the way the industry lives. Only one in 20 or one in 40 or maybe one in 100 has that capacity to become an international commodity. But the fact is that in other countries, by virtue of geographic location, by virtue of the amount of area they have around them without competition and so on, they have either a greater or a lesser chance of being a vital industry unto themselves.

In the United States, the American film industry has the opportunity to make that 20 or 40 or 60, or however many it is, to produce one of international merit, by virtue of the fact that there is an audience of 200 million people that can go and see those products, mediocre as they may be.

Interjection.

Mr. Reed: Because they don't have the good Canadian technology and talent, that's right.

Mr. Angus: Mr. Chairman, wasn't Mr. Lane next on the list?

Mr. Chairman: I thought that you were just asking a question, Mr. Reed.

Interjections.

Mr. Reed: If I might be allowed, I would just like to ask the minister if any kind of system has been considered by his ministry to provide this assistance? I'm thinking here of possibly the levy system, when an amount of money is taken from ticket sales, from sales receipts, awarded to the successful film maker on a basis of his box office and so on? Is there any consideration being given along those lines?

Hon. Mr. Bennett: Mr. Chairman, I would have to say at this point I know of none. That would be through the Ministry of Revenue. Just let me say to you the one thing that worries me about that is that we continue to talk about the successful film producer who would get a reward for the number of admissions to his particular showing; and the small producer, in his first two or three tries, may not have a successful film and as a result of no extra revenue coming in he could be long gone to—

Mr. Reed: There could be other means of looking after the—

Hon. Mr. Bennett: Just a moment. The public purse only has so much money in it.

Mr. Reed: Quite so.

Hon. Mr. Bennett: If you're going to start feeding the film industry I can tell you—and in no disparaging way do I say it—there's no industry that can eat up funds faster, to my knowledge, than the film industry. Talk to some of the film producers; because of the type of operation it's in, they just seem to lose full control of where they're going cost-wise. That's one of the things that I've been warned about by the industry itself.

Mr. Reed: Quite so. However, in a system that rewarded success, there would be no request for funding per se. It would simply be a means of assuring that the fellow who did turn out to be competent and turned out a good product the first time would have some stake money to do it the second time.

Mr. Kerrio: Do you have any awareness of whether there was a Dorothy Hamill skating film filmed in Toronto, a TV film?

An hon. member: Yes.

Mr. Kerrio: The reason I broach the question is that it seemed very odd to me that on nationwide television—and I've got to tell you it was an extremely good show—there was no credit given to the fact that that was filmed in Toronto, Canada. I tell you they would go a long way to find the kind of backdrop they had here.

Hon. Mr. Bennett: Mr. Angus asked a question earlier this afternoon about whether accreditation was given to locations for filming or the position of a film in Ontario. I know last week a film was shown on television here in Toronto—I didn't see it—which used scenes from the waterfront and various other places. It would appear that at no time during the film was there any indication as to where the film actually happened to be shot. Canadians, of course, were aware of the fact when they saw the CN Tower and two or three other things. It was easy for Canadians, Ontarians and Torontonians to know where it was taken. But that's very true, there was no accreditation.

Mr. Kerrio: Particularly this one, where they were using the skating facility at City Hall.

Hon. Mr. Bennett: Yes, that was the same film.

Mr. Lane: Even though I live in the tourist area, I want to talk to you tonight more about the industry side of the ministry. In spite of the fact, as I understand it, that the province as a whole didn't really have a good tourist year this year, my area did reasonably well. I suppose the improved ferry system, the improved highways and other factors were instrumental in us having a good year, in spite of a poor year across the province.

What I'm concerned about mostly, and I think the whole north is in the same position, is that we're hungry up there for industry. I personally feel that the resources that are in the north should be further

developed in the north, that is, the wood products and the mining products. When we export these raw resources, we export our young people which is our greatest resource. If we finished a lot more of these products in the north, we would not be taking land away from a food production basis. We have lots of land up there that won't produce anything and certainly could support industry. We would be supplying work for our young people who are born and raised in the north and want to stay there but can't because they can't find a suitable livelihood. What I'm going to ask you is how many municipalities have taken advantage of financial assistance for industrial parks?

Hon. Mr. Bennett: At the moment, we have nine municipalities that have made direct application. There are numerous municipalities throughout Ontario that have made inquiries in relationship to it and, for one reason or another at the moment have not proceeded to submit their applications in completed form to the Ontario Development Corporation and the Ministry of Industry and Tourism.

Out of the nine, three have been awarded or have been approved, and they are all before the Ontario Municipal Board. One happens to be Sault Ste. Marie, the other is Perth, and the other is Kingston, if I recall correctly. They will have a total in the range between \$350,000 and \$400,000 granted to them in loans. They will have the ability to service about 76 acres or thereabouts. Those three are approved and, as I say, are at present before the Municipal Board. We'll have to await the Municipal Board's concurrence of them taking the funds on the basis granted to them by ODC.

Of the other six, there are a number of complications, some because the zoning isn't proper on the land, some because there aren't adequate services to the principal sites and others because some annexations and things of that nature will have to be carried out. At the moment there are nine. I would have to think there's got to be at least 40 or 47—I remember seeing the figure not so long ago—other communities who have been in and discussed it with us in detail.

Mr. Lane: So there is really quite an interest being shown in the programme itself?

Hon. Mr. Bennett: The programme only relates to northern and eastern Ontario, so we are dealing with those communities at the moment. There seems to be enough interest. Again, it's a matter of people getting all of the requirements in order before the approvals

can be given. I think the programme, given another year or so, will become a very effective programme in those communities.

Mr. Lane: I'm glad to hear that, because often when I get track of somebody who wants to expand or develop an industry, the question is "Where am I going to go?" and "Where am I going to locate?" and we just don't seem to have the serviced land available for him to locate on and he gets away from us. Maybe we couldn't get him anyway, but certainly there would be more chance of stopping him there if we had serviced land for him. I appreciate what you said.

Hon. Mr. Bennett: I would think that it would be well for the members in eastern and northern Ontario to be maybe good information officers to those municipalities. They are the groups that really have suffered the lack of serviced industrial land availability in their communities and I think it would be well for the MPPs to advise the mayors or their industrial commissioners or others that we are in a position where we can accept applications providing all of the conditions can be met. I think we've cut the conditions down to the bare minimum.

Mr. Lane: So they are all reasonable now. That is good. I have some questions I want to ask you about NODC but it will be in a later vote.

Hon. Mr. Bennett: Okay.

Mr. Lane: Thank you very much.

Mr. Chairman: Mr. Eakins?

Mr. Eakins: I am going to pass on this one.

Mr. Chairman: Mr. Miller?

Mr. G. I. Miller: Thank you, Mr. Chairman. I think the minister had a request from a Denny Wilson in Dunnville, who is in the fish net making business, and I know it was discussed here at some length—

Hon. Mr. Bennett: Which?

Mr. G. I. Miller: Denny Wilson. Has he been in touch with the minister or not?

Hon. Mr. Bennett: Fish nets?

Mr. G. I. Miller: Fish nets, yes. Again, they are competing with the Orient for this business. He has something like \$50,000 worth of equipment and could employ 10 to 12 people in an area where it is needed, and the net is needed too, because it is close to Lake Erie, one of the main fishing areas in Ontario. I wondered if there was any possibility of

having assistance or protection for this type of industry?

Hon. Mr. Bennett: First of all, Mr. Chairman, it doesn't appear as if at the moment I am aware of an application by Dennis Wilson, but I will be glad to ask my people to take note of it and to review the files tomorrow. If the member has any information on the application I would be glad to receive it, but I don't recall it.

Mr. G. I. Miller: I directed him to the Kitchener office.

Hon. Mr. Bennett: I would be glad to review it with them and see what the situation is. I'm not sure what you mean by "protection."

Mr. G. I. Miller: I think on prices he has difficulty competing with the imported products.

Hon. Mr. Bennett: Mr. Garland is saying that you might be referring to low cost imports from places like Japan?

Mr. G. I. Miller: Right.

Hon. Mr. Bennett: This is causing him some difficulty in being able to compete in the market situation in this province or this country? If you were to send us the information, sir, in the meantime we shall consult with our people at the Kitchener office to see exactly what has transpired.

Mr. G. I. Miller: A further question that is of some concern is, how are the firms selected to represent Ontario products in the foreign markets? I notice we get bulletins on a regular basis regarding trade missions. How are they selected for that?

Hon. Mr. Bennett: Mr. Chairman, may I suggest that we defer that until the next vote? That will be really under the—

Mr. Chairman: There is not going to be any discussion on the next vote.

Hon. Mr. Bennett: It's not going to be discussed under the next vote?

Mr. G. I. Miller: Has it been discussed?

Hon. Mr. Bennett: The chairman says that from what Mr. Angus and Mr. Eakins have told him there will be no discussion on the next vote. I am getting about as confused here as I do in my ministry on occasions.

You are asking how people are selected for what we call the trade missions, technology missions and so on.

[8:45]

Mr. G. I. Miller: Right.

Hon. Mr. Bennett: Our field representatives will go out, as they do, visiting with industries and so on reviewing their products, their design, their development and their production system. They look at the potential for domestic market sales of the product and whether they have the potential or the capacity to get into export of their goods.

If they have, they will consult with our people in our 15 foreign locations in the world as to the possibilities of that particular product having a marketable position wherever it might be. After they have that information back and if there is a market position, they will consult with the industry to see whether Mr. Jones of fish nets would like to go on a trade mission to Europe or some other area because what we have statistically would indicate there is potential for sales.

We don't guarantee that there will be sales. What we do guarantee is that when he goes to that particular country or area of the world we will have lined up X number of people for him to meet and discuss the possibilities of selling his product to them. We will also likely try to arrange, if possible, an opportunity for him to get involved in a joint venture licensing arrangement.

Mr. G. I. Miller: Is this subsidized by your ministry?

Hon. Mr. Bennett: Only to the tune of the return economy air fare to the destination. His expenses, as far as they concern hotels, meals and any other commitments he makes while out of the country, are entirely his responsibility.

Mr. G. I. Miller: If he is interested, he gets in touch with your ministry?

Hon. Mr. Bennett: If he feels—let me put it this way and we'll go at it from the other direction. We have some industrialists who come to us and say, "I have some indications that there is a possibility of marketing my product in ABC country because of inquiries which have come to me through different types of sources." If we can verify that there is potential for his product in those markets, we could very well extend him an invitation to look at the possibilities of going on one of our trade missions to that area.

Mr. G. I. Miller: How much was spent this past year on this aspect?

Hon. Mr. Bennett: I'll get it for you.

Mr. York: One hundred and forty-eight thousand dollars.

Mr. G. I. Miller: That was \$148,000? Thank you.

Mr. York: No, sorry, \$292,000.

Hon. Mr. Bennett: That \$292,000 is for how many missions?

Mr. York: Thirty-eight.

Hon. Mr. Bennett: Thirty-eight missions to 42 countries of the world.

Mr. G. I. Miller: Forty-two?

Mr. York: Thirty-eight.

Mr. Eakins: They pay their own way?

Hon. Mr. Bennett: No. The government of Ontario pays the economy return fare. All other expenses incurred by the individual are paid either by himself or through his company.

Mr. York: May I correct that, Mr. Minister? The budget was \$292,000. The number of missions was 42. We went to 39 countries. The number of companies which participated was 340.

Mr. B. Newman: Am I up next, Mr. Chairman?

Mr. Chairman: You and then Mr. McKessock.

Mr. B. Newman: I wanted to ask the ministry concerning the Ontario Research Foundation and what they have done in connection with the contaminants which our friends across the river in Detroit and the state of Michigan have especially in relation to PBB, PCV, PVC.

Mr. Stadelman: The question was what are we doing with respect to contaminants entering the waters at the border?

Mr. B. Newman: The waters of the Great Lakes. After all, the PBBs are found throughout the state of Michigan. The rain waters will wash that into Lake Huron and Lake Michigan and they are going in that direction. The contaminant has been such a serious threat in the state of Michigan that hundreds of thousands of cattle have been killed off, if I'm not mistaken. Hundreds of thousands of cattle have been killed off and individuals in the state have gone bankrupt; they found PCVs in every place one could think of, even in nursing mothers.

Mr. Stadelman: That's in the United States.

Mr. B. Newman: That's right.

Mr. Stadelman: We ourselves, of course, do not have any responsibility for the control of these elements in our environment. That's with the Ministry of the Environment.

Mr. B. Newman: I'm just wondering what you people can do to avert this.

Mr. Stadelman: We have, as you know, carried on extensive analytical development for these things in wildlife and in fish, et cetera. We have done a lot of analysis for the Ministry of the Environment but as for the actual control measures, we're not involved.

Mr. B. Newman: Have you made recommendations to the Ministry of the Environment so that—

Mr. Stadelman: I don't believe so. Not in the sense of recommending what the levels should be.

Mr. B. Newman: What are you doing then if you're not making that type of recommendation? Everyone knows that that contaminant is present.

Mr. Stadelman: I believe that the Ministry of the Environment should be quite aware of this and determine what the level should be.

Mr. B. Newman: I would think that the research foundation would be looking into the dangers of the contaminant.

Mr. Stadelman: Medically, no; the levels, yes.

Mr. B. Newman: Who will the average individual look to to see that he is drinking safe water; that he is eating foods which are not contaminated with the various chemicals I've mentioned?

Mr. Stadelman: This responsibility is part of the Ministry of the Environment.

Mr. B. Newman: Then you have nothing to do with that?

Mr. Stadelman: Not with—

Mr. B. Newman: How about chlorine in water?

Mr. Stadelman: We are really a contracting agency to the Ministry of the Environment to carry out those analyses and procedures—or to develop those methods of analysis which they require. As you know, perhaps 25 per cent of the work we do is concerned with environmental problems. Of this 25 per cent I would guess that 70 per cent really is to

help industry or to do work contracted with us by industry regarding environmental problems.

Mr. B. Newman: Have you made recommendation to any of the ministries, including this minister, that certain chemicals not be used?

Mr. Stadelman: No, I don't—

Mr. B. Newman: In the manufacturing process?

Mr. Stadelman: No.

Mr. B. Newman: Don't you think you have a responsibility to the citizenry to be making such a recommendation?

Hon. Mr. Bennett: Mr. Chairman, so that we get the position of the Ontario Research Foundation in a very clear picture—the Ontario Research Foundation, as this gentleman has said, acts as a contracting agency for the Ministry of Industry and Tourism, the Ministry of the Environment, the federal government of Canada, other private corporations across this province or across the country. In other words, they contract with them to do research analysis of certain products, certain chemicals or whatever else it might be.

It is not a general research operation by which we start involving ourselves in the environmental aspects of Lake Ontario or other water systems. In other words, it's a contracting relationship which will indicate whether a product has viability and whether it will ultimately produce what the individual who has invented it or is producing it claims it will do. In other words, it's a verifying agency. We use it through the development corporation.

The Ontario Development Corporation, for example, Mr. Newman, on occasions will go to the Ontario Research Foundation and present them with the problem of a particular applicant who's looking for money to develop a certain product, and ask them whether it really will accomplish what the applicant is claiming it can do. It's not a general research foundation of the nature you would be alluding to in your question.

Mr. B. Newman: In the implementing of new procedures in manufacturing, certain types of chemicals are used. Has the foundation asked industry to replace certain chemicals with others because of the hazards to life?

Mr. Fleck: The ORF only answers questions that it's asked; it doesn't ask questions back.

Hon. Mr. Bennett: It's pure research.

Mr. Fleck: It is asked some questions by industry or by ministries of government and it answers those questions.

Mr. B. Newman: Well, who—

Mr. Fleck: It's not its role—it is the role of the Ministry of the Environment to set the standards or to raise the questions. It's the role of ORF, if they're asked to, to measure whether some product or some material meets whatever test it is that the Ministry of the Environment sets up.

Mr. B. Newman: I'm not quite satisfied with the answer but I will pursue this with the Ministry of the Environment. I think the Ontario Research Foundation has a responsibility in this line. Who else is going to notify the manufacturer? After all, he is interested in producing a product; sometimes, he is not concerned with the elements that go into the manufacture of that product.

Hon. Mr. Bennett: That is a direct responsibility of the Minister of the Environment (Mr. Kerr) in terms of the production system that he happens to be using.

Mr. Stadelman: I can say that on a number of occasions we have drawn the manufacturers' attention to environmental problems, which we ran into in other work with them. That's the truth. But as to what are allowable levels, that is the responsibility of the Ministry of the Environment. We have contributed by developing test methods to determine the levels of various pollutants. We have recommended and have carried on work in certain aspects of pollution control, which we hope will make a significant contribution down the line for the control of pollutants.

Mr. B. Newman: I won't ask any other questions, Mr. Chairman. I will try to talk to the gentleman on the side.

Mr. Stadelman: Sir, I'd be very delighted. We could go into it much further. It's a very complicated question.

Mr. B. Newman: Thank you, Mr. Chairman.

Mr. Chairman: I would just like to remind the members that we only have an hour and a half left for the estimates of the Ministry of Industry and Tourism. Mr. McKessock and Mr. Johnson have indicated they want to speak.

Mr. McKessock: I notice item 3 provides \$1,127,000 to be spent on industrial develop-

ment. On the opposite page, after you take out wages, employee benefits, supplies and equipment, about a third is left for services. Does that mean a third is left for the services to the public?

Hon. Mr. Bennett: Services? This brings into being the industrial parks location programme that we were speaking of earlier.

Mr. McKessock: I'm just questioning the \$1,127,000 that is spent on industrial development and the fact that on the other page about a third of that amount goes for services.

Hon. Mr. Bennett: You're referring to the \$464,000?

Mr. McKessock: Yes.

Is this actually what is spent on services to the people?

Mr. Fleck: No, because a lot of the salaries would be to pay the people who are providing services.

Hon. Mr. Bennett: Right.

Mr. McKessock: Well, could I have a statement sent to me as to where this \$464,000 is spent?

Mr. Fleck: You've got it right there in front of you.

Mr. McKessock: I'd be satisfied just to have this sent to me.

Mr. Fleck: Okay. We can do that.

Mr. McKessock: Also, regarding item 4, where there is \$135,000 for services, could I have a statement sent to me as to where that money is spent? I am referring to service industries development, which is item 4, of vote 2102.

Mr. Fleck: Yes, sure.

Mr. McKessock: Fine, thanks.

Mr. Chairman: Mr. Johnson?

Mr. Johnson: Mr. Chairman, the Ministry of Industry and Tourism seems to be really concerned with the north and east, and I am quite concerned with portions of western Ontario, especially in and around the riding I represent. We lost a factory just two weeks ago; it employed 150 people. At another factory about 80 people were laid off, and at a factory in Markdale, in Mr. McKessock's riding, more than 100 people lost their jobs. While we perhaps aren't in a position where we can hope to have a lot of industry, we certainly can't afford to lose the industry

that we do have. In a small community the loss of 150 employees is quite a substantial loss.

[9:00]

I would hope there's some way that your ministry can put some thrust towards replacing the industry that is lost or even encouraging some small industries to locate in these areas, rather than being mostly concerned, as I mentioned earlier, with the north. In the one instance it relates to the textile industry that was referred to earlier. It was a shoe company. In 1975, 45 per cent of shoes in this classification were imported; and in 1976, 55 per cent; and they estimate in 1977, it will be 65 per cent. The company just gave up. These are some of the problems we have. As the minister, maybe you could work with the federal people to see that if we can't get protection then a certain quota so that an industry isn't destroyed because of imports.

Hon. Mr. Bennett: First of all, two members have raised with me the closing out of two or three children's wear shoe industries in their particular communities. We have been discussing it with other people in the shoe industry as well. I am aware of the fact that the reason they have closed down is that foreign-made shoes are being imported into Canada at a price which is far below what they can possibly compete with, though they have been trying to hold on for the last year or two in producing shoes against a very strong competitive position by foreign importers.

While Mr. Chretien has been made aware of the fact and while he has taken action, the whole leather industry has some very difficult days in front of it. We have been able to continue to compete very favourably in adult shoes, in a special selective-wear type of shoe. I should say before I get off this point that these companies closed down and the manufacturing did not go to Montreal because the parent company in Montreal, for example, makes outerwear footwear—rubber boots, galoshes, rubbers and so on. They are not equipped to get into the shoe production. They have just closed up these operations for the moment.

Mr. McKessock: I'm glad to hear that. Would you put Markdale at the top of that list Mr. Johnson mentioned?

Hon. Mr. Bennett: You and Mr. Johnson fight that one out as to who is at the top of the list. We have one or two other Canadian companies in shoe manufacturing that are presently American-owned, or other than

Canadian-owned, that are wishing to sever their Canadian plants away from the parent company in the United States. We have been talking to some employees of one of the companies to repatriate the company back into Canadian ownership. They have been looking at the three different plants that you two gentlemen have spoken to me about. They hope to make a decision in relationship to at least one of the three plants and maybe two of the three plants, depending on what they believe is their potential volume of sales in this province and this country.

It looks very possible that at least one of the three will be taken into their control and used for the manufacture of men's wear shoes in particular. I have no real confirmation of that, nor would I expect it before the next two or three weeks pass because it will depend on how successful they are in negotiating the acquisition of the shares of the American company back into Canadian ownership. It is a very interesting development. I have already spoken on the textile industry and I really can't add a great deal. These two areas, textile and apparel and the leather industry, which is the shoe industry, have been under severe pressure and competition from foreign sources. As long as we have people who will sit in Ottawa and advise their minister that a free trade policy seems to be the one that we as Canadians should be moving toward, I can only see more difficult days for industry such as the ones we have already spoken of.

It is great when you have 250 million people. Then you can produce in your own market and find a very viable opportunity. When you produce for 22 million or 24 million people, then you have outside sources as competitors such as we meet in the United States but even more from the foreign and third-world countries. It becomes very difficult for government, federally and provincially, to convince Canadians to further invest money into plant productions and technology when they cannot see any real opportunities that the Canadian market is going to be theirs for a period of time down the road.

Again I say to Mr. Samis, we've protected certain parts of the apparel industry for the moment. There were certain actions taken in the shirt industry two or three years ago and they have been extended for a period of time by Mr. Jamieson and now agreed to by Mr. Chretien. That is the only way we are going to get Canadians to pour money into industrial improvement and new technology, if this government at the federal level starts giving some guarantees that their market is not going to be eroded by a freer trade policy

from other foreign countries. But we do assure you that we are trying to lure other shoe manufacturers into those plants to occupy the employment and the machinery that is presently there.

Vote 2102 agreed to.

Vote 2103 agreed to.

On vote 2104, tourism development programme:

Mr. Wildman: Mr. Chairman, I had some questions regarding tourism development in northern Ontario especially. As the minister knows, tourism is one of the biggest industries in northern Ontario and when there is a slump in the tourist industry then it affects the whole economy of the north, especially areas like mine in Algoma. Especially when you have along the north shore of Lake Huron upwards of 22 per cent unemployment, and you have situations where a lot of money has been poured into those areas but there hasn't been a great many jobs produced as a result. We had hopes of Winlock Veneer and so on opening in Blind River, but that looks like it bogged down, and recently Sullivan Trailer and Equipment shut down in Thessalon, and so on, so tourism obviously is very important. I am interested in the comments the minister made on a trip to my riding this summer. In Wawa, he talked about the slump in the tourist trade and mentioned a couple of things like the American Bicentennial, the American election, the Olympics and so on. I certainly agree those had effect, but the minister also mentioned a couple of other things which he said were hard to deal with and weren't going to disappear, I understand. For instance, increased gasoline prices, higher priced accommodation in Canada and the minimum wage policy. I want to deal especially with the increased gasoline prices.

As the minister knows in certain areas of Algoma we pay enormously high gasoline prices. I mentioned in the Ministry of the Environment estimates that in some parts of northern Algoma we are now paying 51 cents per half gallon of premium gasoline, the reason being that you can't get \$1.02 on the old pumps it has to be 51 cents. So, of course, many tourists going into those stations when they first drive in feel that they are getting a real bargain at 51 cents until they realize that they are paying for half a gallon. Then you have the situation where in White River the gasoline dealers are paying more to the oil companies for the gasoline than the consumers are in Sault Ste. Marie.

You've the other situation just outside of the Sault where gasoline prices jump 10 or 12 cents more per gallon so that if a person is a dealer within 40 or 50 miles of the Sault he might as well forget about a lot of the market, because people are going to drive to the Sault. Generally I think we have to look at this problem in relation to tourism and admit that one of the main reasons for the drop in tourism—and I hope it is not going to be a trend—is at the gas pump. I would like to know what your ministry is doing to try and encourage the Ministry of Energy and the other ministries of the government that have some say in this, some jurisdiction in this, to try and alleviate these outlandish gasoline prices that we are paying in northern Ontario and especially in the small communities of the north, so that we can encourage tourism, and not only tourism but other types of industry that are dependent on transportation. I would appreciate it if the minister could expand on the comments that he made in Wawa when he was looking for blue this summer.

Hon. Mr. Bennett: I think you will agree that I mentioned a number of points. One was the basic economics and the economies of the time, both in Canada and the United States, didn't really lend themselves to massive travel. People were becoming much more concerned about their dollar and how far it would take them.

I mentioned the bicentennial and the Olympics. I went on to a number of other things, including prices and the cost of accommodation and food in the province of Ontario which are making us less competitive with our American counterparts. Gas is one of them.

I tell you gas prices, when you get into the north part of the country, are as confusing as a number of other issues. You can travel in certain parts of Sault Ste. Marie and find gas at a certain price and travel, as you say, two miles outside the city limits and because there is a less competitive position—because Imperial Oil or one of the others happens to have the exclusive station; it's not really Imperial Oil but it's Imperial Oil by supply although it's privately held—the prices are considerably different.

May I only point out to you that I don't altogether agree that it's the most highly priced gas in the province of Ontario. There happens to be a service station, Texaco by brand, on Bay Street, within three or four blocks of where we are sitting tonight, which has gasoline at 99.9 cents a gallon. I went and checked it myself this week. That indicates to you that to some degree you could

consider it an excessive charge on gas even in the downtown Metropolitan Toronto area.

Mr. Angus: You can shop around a little bit more here.

Hon. Mr. Bennett: It depends on whether you have an ounce of gas left or whether you have a half a tank left—how much shopping around you can do.

Mr. Wildman: That's certainly true but in White River you have to go 200 miles in each direction.

Hon. Mr. Bennett: There are a few stations in those 200 miles, too. I know that when you get into White River you've got about four or five stations within a rather confined—

Mr. Wildman: Yes, but the pricing of all of the gas in all of those stations is very similar and very high.

Mr. Eakins: It is a captive market.

Hon. Mr. Bennett: Yes, it's a captive market and I suppose that's why some tourist operations are priced as they are, too, because of the captive market.

Mr. Wildman: What you say is true about competition and volume sales lowering the prices in places like Thunder Bay and the Sault. I'll admit that but the problem is when the tourist goes to White River.

Hon. Mr. Bennett: Yes, I don't disagree.

Mr. Wildman: He looks at the price and the dealer says, "I can't help it. I pay more for my gas to the oil company than the consumers are paying in Sault Ste. Marie where you just filled up. You are now having to refill when you are in White River." What can be done about this? The Minister of Energy doesn't offer any solutions. As a ministry involved with tourism, what are you trying to do about the situation or what are you suggesting to them should be done?

Hon. Mr. Bennett: I think that the Minister of Energy (Mr. Timbrell)—it's been brought to his attention by people such as you that you consider prices of petroleum to be excessive in the areas which you happen to represent. My ministry, through its personnel, has brought it to his attention.

As you know, we have discussed the ones on some of the major highways in the province of Ontario where the people of Ontario happen to own the real estate that the service centres are located on. The Minister of Transportation and Communications has renego-

tiated or, I should say, in renegotiating or extending the lease arrangements, he has set up a better percentage position which would not be adding to the cost of a gallon of gasoline at those service centres.

We have no policy. I think the moment you start getting involved in trying to set gas price policies across this province you have undertaken a nice challenge for yourself. It is not likely ever to be satisfactorily arrived at because there will still be great differences of opinion as to what the price of a gallon should be in any given community across the province.

We have suggested to the Minister of Energy places where we think there is some excessive charging. As the Minister of Energy, he has followed it up with some of the petroleum companies when we have given specific cases.

In some cases, I would say, from the reports that came back to me, they clearly indicated how they arrived at the price of a gallon of gas. Without getting into all the personalities I think it wouldn't be such a bad thing to start looking at what some of the end business people are taking for themselves. I am not referring to the petroleum company. I am referring to some of the independents. I don't wish to lump them all into the same package; I said in some cases. Some of the independent retailers of gasoline in certain parts of our province are not taking a small margin of profit.

Mr. Samis: Like along the 401.

Mr. Eakins: The 401 is a ripoff.

Hon. Mr. Bennett: Just a moment, so we don't get confused. The 401 is company-controlled, Mr. Samis; it's not run by an independent company.

Mr. Samis: The member from Haliburton hit the nose on the head; it's a ripoff.

Mr. Eakins: That's a captive market, too. If you drive to Windsor and you have to pull off for gasoline and pay the prices they were charging this summer, it certainly is a ripoff.

Mr. Wildman: I won't prolong this because I know the time constraints here, I want to—

Hon. Mr. Bennett: We are aware of what you—

[9:15]

Mr. Wildman: —indicate to you, and I am sure you would agree, no matter what advertising campaigns your ministry puts on and so on, a lot of tourism is determined by word

of mouth. If people travel through northern Ontario, whether they be from southern Ontario, other parts of the country or from the United States, and feel, whether they are right or wrong, that they are being ripped off on gas pricing, especially if they are driving themselves—and a lot of our tourist industry is geared to having people camping and driving—if that impression gets around, if these people come back and say we went up there and it cost us twice as much as we expected, so next year we don't want to go up there, we are going to go somewhere else, if that's going to get around, you might then have a trend on your hands of people saying, no way, we are not interested. That would be very serious for northern Ontario and for Algoma.

Hon. Mr. Bennett: One of the things on which we really don't get the message across to our American friends that come here—at least very seldom and maybe it's just absence of mind—is the size of the Canadian gallon versus the American gallon. I think we have to keep mentioning that, because if we raise the point with some American people, all of a sudden they start to realize that there is a difference if one starts to break it down. Not all of the northern United States have cheap gasoline from some of the reports we are now getting back. We should try to relate one American gallon to one Canadian gallon and their price to our price and continue to show that the differential is not really great in some cases. I am not saying in all cases because self-service centres can't be compared, let's say, to a service operation in White River, and I am the first one to admit it. We are aware of what you say and it worries us and concerns us as much as it does anyone. We hope we can find some receptive position between the petroleum companies and the end pumper.

Mr. Wildman: It's just that on Highway 17 outside of Wawa when you are paying 51 cents for a half gallon, if you could convince the American tourist that the half gallon he is paying for is about the same size as the American gallon, then he probably would be happy, but I am afraid it's going to be kind of difficult.

Mr. Chairman: I have the following list of speakers: Eakins, Samis, O'Neil, Mackenzie and Johnson.

Mr. Eakins: I just want to follow up one thing. I think the point was well taken in regard to how the American people feel about the price of gasoline. But the table of Ontario visitation statistics indicates that

visitors from all countries other than the United States have been increasing fairly steadily every summer. There might be one exception in one possible year, but not in the case of the visitors from the US.

During July every year since 1972 they have decreased in numbers and during August they have been decreasing since 1974. I asked in the opening remarks whether we are pricing ourselves out of the tourism market. I was wondering if you could respond to that in regard to other areas. The price of gasoline possibly is one but maybe there are other areas. When you look at the overseas market, it seems to be increasing. Perhaps it's because of the pricing of charter flights. Why, when the United States is so close, is it decreasing each year, except perhaps in one particular year, where maybe it's gone up a little? It has been decreasing steadily according to the statistics.

Hon. Mr. Bennett: I will let Mr. Boyer who is "Mr. Tourism Ontario," answer that.

Mr. Boyer: Mr. Eakins, I don't have the five-year statistics with me, but you were quite correct. We have had a decrease in numbers from the United States for several years, including this one. This year was the first time when there was an actual drop in revenue from the United States. There is going to be an overall gain in revenue of about \$200 million and the largest area of growth, interestingly enough, is the overseas countries.

We have had an increase of approximately 30 per cent for the last three years and we are forecasting 38 per cent this year. I am talking about revenue, not numbers. The air fare is not included in that number. We are a high-cost tourist destination at the moment, and there are many reasons for it. The price of gasoline is only one of them, and yet the Europeans can afford us and they can afford two dollars a gallon gasoline as well.

Mr. Eakins: That's right, yes. You mentioned the revenue—the dollars are up but the number of people is down.

Mr. Boyer: In the United States only.

Mr. Eakins: Right. The decrease is greater than the increase from overseas so there is a net loss, is there not, in number of visitors?

Mr. Boyer: I'm sorry. Would you say that again?

Mr. Eakins: Though overseas visitors are increasing, it's still not keeping up to the decrease from the United States.

Mr. Boyer: If you include other Canadian provinces and our own travellers in Ontario, there'll be a small increase in numbers this year, but small.

Mr. Eakins: Could I ask about the Japanese market? This should be an area of increased tourism coming into the country.

Mr. Boyer: Yes, we have a tourism officer based in the industry office in Tokyo. He's been there, I believe, for three years now. The Japanese travel in groups, they generally must have an interpreter, they come for business reasons but they'll take a holiday as well. It would seem that every good Japanese must see Niagara Falls before he dies. Haliburton, too, I hope.

Mr. Eakins: We had a number visit our town this year because there are two communities in Ontario which are sister cities of cities in Japan—

Mr. Boyer: Oh, and Lindsay is one of them?

Mr. Eakins: Lindsay and Dundas.

Mr. Boyer: Yes.

Mr. Eakins: To me this seems to be one of the great markets that really hasn't been tapped and I think that that's a great potential source of visitors to Canada, because many Japanese have never been off their own island. They're just starting to move now.

Mr. Boyer: You're quite right. For about five years, they've been the fastest growing overseas country in number of visitors to North America. They're the number one visitor to the United States. They're the number five country for Canada if you exclude the United States, and Ontario, surprisingly, does a larger volume of business than does British Columbia but it is because the bulk of them come to us by way of the United States.

Mr. Eakins: Right. That's fine for me.

Mr. Samis: I have two items I'd like to bring up and possibly to expedite them I'll go through them both and allow the minister to reply in succession.

First, I'd like to know what's happened to your promise in the February 19, 1975, Globe and Mail, and I quote from this article, which is headlined:

**"New Tourist Attraction Promised by
Cabinet for Eastern Ontario"**

"Tourist operators in eastern Ontario yesterday were promised a major new attraction on the scale of Ontario Place by Industry and Tourism Minister Claude Bennett.

"Mr. Bennett said the Ontario cabinet has approved a study to assess about four sites in eastern Ontario and will choose one of them in the next few months for development of an all-season resort complex which will include water and winter sports, convention centre and such amenities as handball and tennis courts."

I'd like to ask the minister what's happened to that promise? Has it been shelved like many others made prior to the last election, or is he going to do something about it?

Interjection.

Mr. Samis: He sees a lot of blue in this province. The second one is, I think we're all aware of some of the problems being faced by the tourist industry, and one of the responses you had was highlighted in the *Toronto Star* of today where, if I understand, you're proposing a wage differential for people who work in the tourist industry where tips are available, that that differential be increased from 15 cents to 50 cents an hour. I would hope that the *Toronto Star* has this wrong, that you are not asking employees to take a wage cut. You'd be the only minister possibly north of Chile who would ask employees to take a wage cut when we're dealing with a problem of inflation and unemployment. Surely you're not suggesting in an industry whose basic wage is not famous for its high levels, that the employees bear a major burden and responsibility for the decline in that industry this year? I would hope you'll allay my fears in that regard.

Hon. Mr. Bennett: The first item the member raises, Mr. Chairman, is relating to an all-year, all-season complex for conventions and attractions in eastern Ontario. Obviously, it's gone the way of other projects while we're in this constraint period. There have been a lot of things within my ministry—that's right; that's 1975 and we were proceeding with it. We had come to a decision as to a site which we were prepared to move on and we had a choice of either Timbertown or this one. Timbertown won the decision.

Mr. Samis: When was that decision made, by the way?

Hon. Mr. Bennett: This decision was made some months ago by cabinet. The decision

really came down to the ministry making its recommendations. We had an alternative. We weren't going to get both of them because of the constraint programme and obviously Timbertown, because of the opportunity of the free enterprise system participating, appeared much more possible than the other all-year complex we were discussing in eastern Ontario.

It's been shelved. It hasn't been shelved forever and a day, I would hope, because we still think there's a need for that type of an operation in eastern Ontario.

The second item relates to comments made in the *Toronto Star* today. There's only one area in which I did not get involved or did not make the comment and that was about lowering the minimum wage which was not what I had said at all. The rest of the story appears to be pretty well along the lines we had discussed with the motel industry.

What I said was that as far as the tip differential in the employees' minimum wage position is concerned, it should be paid until there is a greater differential between it and the minimum wage paid to employees who are actually on stream and are not in the position of having tips paid them for services rendered either in beverage rooms or other parts of the industry.

Mr. Samis: So you're saying that particular paragraph is inaccurate?

Hon. Mr. Bennett: I'm saying the one clause is. I think it's about the third or fourth line down which says I indicated that it should be lowered. Let's be very honest and frank about it. In the day and the economics we have in this province and in this country, it would be rather foolish for any minister of the government to say we should be lowering somebody's wage position. What I did say is we should pay it, not lower it.

Mr. Samis: One final question—the last sentence, not in that particular paragraph, another one, says, "He said in an interview afterwards he wants the differential increased from 15 to 50 cents an hour." Is that accurate?

Hon. Mr. Bennett: That's correct. I said I thought that over a period of time we should see the minimum—

Mr. Samis: Over a period of time?

Hon. Mr. Bennett: Yes, because I don't think you're going to do it in one big step any more in this year than in next year. I think it has to be a gradual situation where by you eventually get the differential. We

know, without getting into the very extended facts and figures on it, that there are a number of people in the hotel industry, motel industry and other parts of the resort industry who receive tips and whose incomes are very substantial, maybe even better than some of the MPPs in the province of Ontario.

Mr. Samis: How much security have they got?

Hon. Mr. Bennett: Most of them have been around for a great number of years. The security is there.

Interjection.

Hon. Mr. Bennett: I was going to say there is maybe as much as some members of the Legislature.

Mr. O'Neil: What do you mean some members, Mr. Minister?

Hon. Mr. Bennett: I'll leave you to make the decision—or maybe I should leave it to the voters to make that decision.

Mr. O'Neil: Okay; thank you very kindly. The air is quite blue here.

I wanted to mention something that has come to—

Hon. Mr. Bennett: I bet you he made lots of money in the real estate business.

Interjections.

Mr. Chairman: Order, please.

Mr. O'Neil: Thank you, Mr. Chairman. It's a matter which has been brought to my attention by the Highlands of Hastings tourist region located in Belleville and by the Great Pine Ridge Tourist Council located in Cobourg. I'd like to read into the record a memorandum sent out by the Ministry of Industry and Tourism on October 8, 1976; it came from Douglas Jure and it states:

"G-65 Tourist Region Signs:

"This is to confirm our earlier discussion that we have instructed the Ministry of Transportation and Communications to revise province-wide the G-65 signs to identify travel areas rather than tourist council boundaries. This signing policy was initiated in April, 1974, and will continue until the entire province is completed."

I also have a letter here which is from the Central Ontario Travel Association in protest of this policy. I'd like to get your comments on it.

"Whereby the board of directors of the Central Ontario Travel Association at their meeting of October 27, 1976, discussed the subject of removing the signs along the provincial highways, for example," as Mr. Eakins has brought to my attention "You are now entering the Kawartha Lakes Tourist Region', the board has instructed me to write to you and state that they object strongly to the removal of the signs and request that your ministry intercede on our behalf with the Ministry of Transportation and Communications to recommend that these area identification signs remain in effect to assist the tourists in identifying the area they are travelling in within the province." Could I have your comments on that?

[9:30]

Hon. Mr. Bennett: In what respect? About the removal of them?

Mr. O'Neil: I think a lot of these different tourist councils feel that over the past number of years they have run a very efficient business in their own area, with a lot of local initiative and some financing. I just feel that it's another way of centralization of power where you are opening up one main office and putting some high-priced help in there. You are taking this initiative away from the local people and I don't think that they are very happy with it. I wonder whether your ministry will not re-evaluate that decision and come back and give them what they had before, with some of the changes that you have initiated.

Hon. Mr. Bennett: I think what we are trying to say is that there are travel associations now rather than regional tourist councils. I am prepared to re-evaluate it. I tell you very honestly, as one person who travels the highways fairly extensively, if I was a tourist in Ontario I would be confused as to what the sign even means. I have said to people who are travelling with me, "Does that sign mean anything to you?" It doesn't mean a thing to them. It is there and that's about all it does. In fairness and frankness, if they really had a message and had an impact upon the tourists of the province of Ontario, I would be the first fellow to agree that they should be left. I suppose, from a political point of view, the one thing it does is it keeps a lot of people in the local community happy that they have an identification even though the particular regional council in a lot of cases no longer exists.

Mr. O'Neil: I think they would be very happy if you would re-evaluate your position

on that and possibly get back and talk with these different people in the Highlands of Hastings and Kawartha and the people in Cobourg. I think they would like to have a talk with your ministry people and have another look at it. I have another question which came from the Highlands of Hastings tourist region, and this was in regard to a brief that they presented to a public meeting on provincial parks: "In response to your notice in the *Globe and Mail* newspaper advertising a public meeting re provincial parks, the Highlands of Hastings tourist region submits the following brief in regard to the park system: 'Length of stay. We would suggest that with the exception of students on a study programme or projects of a similar nature, a shorter time limit should be imposed so more people can have the use of the parks. At the present time, the camp sites are being taken up by people who are staying for four weeks or more.'" The second point they raised is on rates. "Rates in provincial parks should be based on cost of operation the same as privately-owned campgrounds. Due to an increase in taxes, hydro, interest and minimum wages, private enterprise has been forced to increase rates. The provincial parks did not increase the rates but they did grant senior citizens free use of the park for 28 days. The combination of low rates and free use was disastrous to private enterprise." Another thing they mention is about the advertising, which I imagine you have got a fair amount of flak on, that they have been advertising provincial parks and not giving some of the private parks advertising. Another one is activities, where they suggest that more activities be carried on within the park site. I would ask for your brief comments on that if I could.

Hon. Mr. Bennett: First of all, Mr. Chairman, the overall parks programme that you are speaking of and the ads that you are relating to are those of the Ministry of Natural Resources since it is their responsibility in this province.

Mr. O'Neil: I agree, but again I think it comes under your ministry where you can make certain recommendations to that ministry, because it is important to these people who own these private parks and are competing with provincial parks on a cost basis and everything else.

Hon. Mr. Bennett: Yes, I just wanted to clarify the point that you said the ministry had advertised. Really it is Natural Resources. We will have a very direct input into some

of the decisions, at least from an information point of view. The stay period is one that is being reviewed and discussed. On the cost of operation, nobody in this room will agree more wholeheartedly with you than I that we should be charging the actual cost for using Ministry of Natural Resources day camps or trailer parks and that we should not be subsidizing them through the general tax rate, which we are doing at this point. There is no doubt in the world we are.

Mr. Lane: That would increase the revenues.

Hon. Mr. Bennett: That's right. Basically the point I was coming to is that if you decide to charge cost of operations—and I am not sure whether you are including the capital cost and the carrying cost—if you are just talking about straight operating costs of the day then the rates would go up somewhat and I would be the first to agree with you that they should. I think that we have been an unfair competition to the private sector in running their campgrounds across the province. There is no way the private individual who has a trailer camp half a mile down the road from a provincial park can afford to charge \$1 a day more than the provincial park. So we peg him at the same time we peg our own price and I have never quite agreed with it. I think there should be an increase and hope that come the next time when rates are being reviewed there will be one that will afford the private sector at least some return on their investments. We are finding today that there are a number of individuals who would like to clear out of the trailer camp business because they just can't make ends meet in competition to what is a provincially run situation.

I am sure that when Mr. Bernier was here and you discussed parks, that it was indicated two provincial parks had been put out for operation by the private sector this past year. If it works out satisfactorily, I hope this will be extended to more and more of the parks across the province. But we will have an input and we will indicate to some of our tourists—not only the Highlands but there are others—that are indicating their interest and feelings related to provincially run trailer camps.

Now on the advertising promotion, you will appreciate some of it, a great portion of it—I think I sent the member a letter explaining some of the operations. A great deal of the information that is out is from very aggressive information services by private

radio stations in various parts of the province. They phone us and secure information relating to provincial parks and the capacity and the availability of sites on various weekends, extremely busy weekends, in the province. Mr. Boyer can speak with more information on what has happened in the private trailer camp section as it relates to publicity programmes and the availability of space at various times of the year.

Mr. O'Neil: Well, when you are giving out this information on some of these stations—possibly if you could set up some sort of a system with the private parks that you could also give that out at the same time, I think it would be of great assistance to them.

Hon. Mr. Bennett: Mr. Boyer, do you want to speak on that? You have more experience.

Mr. Boyer: The broadcast which emanates from Natural Resources on occupancy conditions in provincial parks is the beginning of a Natural Resources experiment in partnership with us. The second step will be occupancy in private camp sites. The final step will be a reservation system. That's the direction they are moving in.

Mr. O'Neil: I am sure these people will be very pleased to hear that. Two other short questions. One is the suggestion that possibly your ministry in conjunction with the Minister of Transport could have a look at the possibility of labelling signs along the 401 or the major highways and diverting traffic to, say, scenic Highway 2 or to some of the other scenic routes throughout the province.

Mr. Boyer: Mr. O'Neil, in co-operation with MTC—co-operation means that they put up the signs and we put up the dollars—we have begun a province-wide signing of scenic routes. Two of them are now complete. I beg your pardon. One is complete. One is nearly complete. The Heritage Highway runs from Niagara Falls to the Quebec border on Highway 2. The route of the Voyageurs on Highway 17 from the Quebec border, I believe it is complete beyond Sault Ste. Marie. It eventually will go to the Manitoba border. There are six other routes that we will sign and we have budgeted to do that in the next fiscal year.

Mr. O'Neil: Very good. Final question: With the inflation rate having been as high as it has, even with the lowering a lot of families find it quite difficult when they stay in motels or go to restaurants and things like that, because they seem to charge the adult

rate after the age of 12. Has your ministry ever thought of approaching a lot of the tourist business or the hotel-motel people to raise that age from 12 to 16, so people with a number of children can—

Mr. Boyer: We've gone further than that. In discussing with our accommodation industry the reasons why we appear not to be price competitive with the United States, we have suggested that children should be free of charge, that breakfast should be free and that there should be a variety of incentives to bring customers here, the way many operators in the United States now do.

Mr. Eakins: Would that tie in with your grading system? How is the grading system making out? Is it on schedule and will it be completed in three years? You mentioned this, and I was just wondering if that would tie in.

Mr. Boyer: We have just signed a contract with a consultant. You may know we're in partnership with Tourism Ontario, the private sector, single voice for the industry. We'll have the consultant's report in by June, 1977, and the decision at that time will be taken on implementing it and what manner of implementing. I would think that three years is fairly safe.

Mr. Mackenzie: I just have a couple of short questions. I can't pass up your comment on the usefulness or whatever you're thinking of a differential increase from 15 to 50 cents in terms of tips. I'd like to leave you with the thought that for every one person that may be making the income you're talking about from tips, there are 20 where the tips are really subsidized in their wages. I'd sure as blazes hate to see, in most of the establishments I know of or go to, the people that are working in that service industry having their base salary cut and having to make it up in tips. I think it would be a real step backwards.

Hon. Mr. Bennett: I think I've made clear the point that I did not suggest at any time that there should be a cut or a reduction. I indicated clearly it was a paying-in situation.

Mr. Samis: You suggested widening the differential.

Hon. Mr. Bennett: That's correct.

Mr. Mackenzie: I'm not sure that you don't accomplish the same thing.

Hon. Mr. Bennett: I'm also suggesting changes in the legislation and the regulations as they presently relate to the beverage in-

dustry, to those who are serving, table serving and so on. It is the only area at the moment—

Mr. Mackenzie: I always had the impression that it was for good service and I always had the impression that the Tory party stood for some initiative. I can see that as really cutting some initiative, not increasing it.

A Mrs. Bates in Beamsville, who phoned you on an open line show in Hamilton some time ago, wrote a letter to your ministry over a vacation trip she had taken this summer. She did her planning, based on your 1976 accommodation booklet. She gave the case of a three- or four-night stop in Sudbury, two in Sault Ste. Marie and a couple in Tobermory, where in every case the price they were charged was higher than that listed in the book. I know that these can be subject to change. I believe in reply to her you told her that you would take a look at the differences she quoted you in Sudbury, in Sault Ste. Marie and in Tobermory.

I wanted you to take a look at them and at least I hope that you have. You have never responded back to her I know, because I was talking to her only today. From the comment of the motel manager in Sault Ste. Marie, when asked by her husband about the discrepancy in the figures over what was in the booklet of supposedly this year's pricing, he was quite annoyed. He pointed out that his figures quoted were the ones on the unit doors. He said that the people who put the book out don't take the time to get the information right. I'm wondering if you have checked in the case of Sudbury, Sault Ste. Marie and Tobermory in those particular cases.

Mr. Boyer: Would you tell me the name of the lady again?

Mr. Mackenzie: Mrs. Anna Bates, Beamsville, Ontario.

Mr. Boyer: I'm not familiar with that correspondence.

Mr. Mackenzie: She's had correspondence back from the ministry.

Mr. Boyer: The problem is that that book comes out in January each year. It's based on information that we start asking for in June. We can actually make changes in December but the price circumstances of recent years have just accelerated so much that I regret to tell you the book is always out of date.

[9:45]

Mr. Mackenzie: We heard earlier that in your attempt to encourage tourism, which is certainly important and probably even more so in areas like the north, you're asking tourist operators to consider children being allowed free or various other things that may make us a little more competitive. If you're going to spend the money in putting a booklet out like this, wouldn't it be more to the point at least to get some kind of guarantee from the operators that the price quoted for that tourist season was going to be an accurate price? In the case of Mrs. Bates and some friends of hers, obviously they carried enough to get them over the rough spots, but they did some of their planning based on those prices.

It would seem to me, if we're interested in developing the tourist industry, that there might be a lot more merit in saying that the price quoted in that book for a particular season is a valid price and people can rely on it. That might do more than some of the other incentives you're talking about.

Mr. Boyer: One of the factors that caused us problems last year was that we had the book in January, and in March a new minimum wage was announced; that, of course, is one of the factors that affects price, but our book was already printed and distributed.

Mr. Mackenzie: I would like to see a cost study on that, but I doubt that a small change in the minimum wage had much effect on the price.

Hon. Mr. Bennett: The suggestion is one we can certainly entertain. I think what would happen—and I'm only trying to use my understanding of the industry—would be that a lot of them likely would refuse to participate in the book or would forgo it.

Mr. Mackenzie: It might be then that the people would know which ones had good prices, if that's the commitment we had. If they want to do some shopping over and above that—

Hon. Mr. Bennett: I think Mrs. Bates was the one who made the suggestion to me that if they do not adhere to the prices quoted, they should be eliminated from participating in the book for the following year, which has some value.

Mr. Boyer: If I may just add, when we have a grading system—and I'm quite confident we will have one—it will likely be a voluntary one and only those who want to be graded will be in our accommodation book. We think that may give us more influence.

Mr. Mackenzie: Except that I'm certain you'll have minimum standards.

Mr. Boyer: Oh yes, of course.

Mr. Johnson: Mr. Chairman, I'd like to bring up a matter that I raised last year, and that is farm vacations. I was told this was being developed by the federal Department of Agriculture; if it is, they're keeping it a secret because I haven't heard about it. In the 4,500 square miles in my riding there isn't a single farm vacation resort.

I had the feeling there wasn't much interest in that until I was down in Prince Edward Island this summer, and I spoke to John H. Maloney, Minister of Development. He mentioned that this is one area where they are doing extremely well, and I would like to quote from a letter I've received from him since:

"The province is interested in developing this type of tourist business because it meshes well with policies to stimulate rural economic activity and preserve the island's unique environment. The Department of Tourism, Parks and Conservation is working with the industry to strengthen this segment of the tourism industry."

The biggest reason that there's a failure in many of the farm vacation programmes, he says, is the fact that the tourists do not want to live in the same home as the owners; they want some measure of privacy. He said that when they first started the programme, it didn't work well until they came up with the idea of having small cottages or cabins in relation to the farm home. Once the people had this privacy, the business just mushroomed. They have produced a booklet, and while I don't know how many farm vacation homes they have in it, it's quite extensive. They feel that it's one of the growing areas in their tourist business and they're even considering trying to find ways and means of making it a year-round activity. In Prince Edward Island that is rather difficult but I think that in our area this is something we could tie in with our skiing and winter sports as well as summer activities. I would like to propose to the minister that if they would like to use my riding as a pilot project and set up a tourist business I think my people would be exceedingly pleased with the proposition.

Mr. Boyer: In co-operation with the Ministry of Agriculture the ministry does produce a book on farm vacations. I am astounded your area isn't among those listed. My memory has it that there are about 150

farms offering family vacations in the summer months. Its growth has been a little disappointing to us so I am interested in your suggestion from Prince Edward Island of the separate cabins.

Mr. Eakins: Is it advertised very much throughout Ontario?

Mr. Reed: Yes, it's advertised—

Mr. Boyer: There is an organization in London, Ontario, which is either the Ontario Centre for Farm Vacations or the Canada Centre. We don't advertise it. We distribute it and we do news releases on it. There has been a good deal in the travel sections of newspapers on farm vacations. It should be a very popular thing as we become increasingly urbanized and kids can't see a cow any more.

Mr. Johnson: Could I suggest to the minister that he contact the industry and tourism ministry in PEI and check out the possibilities? I think the whole key to it is privacy, getting away from the immediate family so that—

Hon. Mr. Bennett: May I ask you a question? Have you had any of the people in your farm community express to you a direct interest in getting into the farm tourism programme?

Mr. Johnson: In my riding?

Hon. Mr. Bennett: Yes.

Mr. Johnson: To be quite honest, it's a very lukewarm proposition because the people aren't too sure what's involved and they, too, hesitate to bring strangers into their homes. I think the key to it is creating or building small units adjacent to the building and maybe sharing their meals. Other than that, their privacy would be there.

Mr. McKessock: If I could ask a supplementary to that, I agree with Mr. Johnson that there is a big potential here and there is quite a bit of activity in my riding with farm vacationers. I think it probably would be a good thing for the ministry to follow up on. If you could provide some assistance to these farmers to develop this type of tourism, I think it could expand greatly in Ontario.

Mr. Boyer: Mr. Johnson, what is your riding?

Mr. Johnson: Wellington-Dufferin-Peel.

Mr. Boyer: You are in the Niagara-Mid-West Travel Association Area and I would

like to accept your suggestion that we discuss with them the possibility of a pilot project in that area. Of course, it's dependent on the interests of the farm people. Mr. Minister, I also assume that loans from the development corporation would be available for this tourism development purpose?

Mr. O'Neil: Mr. Minister, don't you think you should consider other ridings also? I would hate to see only blue ones considered.

Hon. Mr. Bennett: I think your colleague in the Legislature is—I haven't seen him across the floor. I think the opportunity might be—we should be speaking with some of the farm organizations to try to find out what the interest is. We have talked about the programme provincially and there has been some interest but certainly, as Mr. Boyer says, it has been very lukewarm. I don't want to see us get into developing cabins and so on and putting it into a full commercial atmosphere. The whole thing was to make people feel as if they were part of a farm family running an Ontario farm so they could participate in the morning breakfasts and so on. That's what it started out to be.

Mr. McKessock: It started out to be that but it's not quite the way the people want it. We were in the business for a while, too, and we had a separate building we put the people in, contrary to the rules of the Farm Vacations and it worked out very well. And they still came and ate with you, but they didn't sleep in the same building. They had their own sleeping quarters and bathroom.

Hon. Mr. Bennett: Maybe we could be a little more aggressive in trying to develop it.

Mr. O'Neil: Mr. Minister, I would just like to make one more comment and that is to reaffirm my opinion that the whole secret is, as Dr. Maloney stated—it wasn't successful until they went to this programme. You can contact the people in Prince Edward Island, but they tried it both ways and this was the successful way and this is maybe the reason that it has never taken off in Ontario.

Mr. Eakins: Or the system in Ireland.

Mr. McKessock: Also like the tourist industry in a lot of other areas, it just doesn't pay to put a lot of money into it—but if there was some assistance maybe given from the ministry in this regard, I think it could be promoted and could be a big boost to tourism in Ontario.

Mr. R. S. Smith: Mr. Chairman, I have a few questions. As the minister indicated a few

moments ago to one of the people from the east over here, Timbertown is the specific site that is going to be developed in the eastern part of the province as the major attraction. Would you tell me where Timbertown is going to be?

Hon. Mr. Bennett: No, I am not going to disclose that this evening. I can only tell you it will be in the Renfrew county area. I won't get into specific locations until we have finished and concluded placing options on certain pieces of land.

Mr. R. S. Smith: That's the hold-up? You don't have all the land as of right now?

Hon. Mr. Bennett: That's correct.

Mr. R. S. Smith: That is why you are not specifically saying where it is going to be?

Hon. Mr. Bennett: I think Renfrew county is a very detailed position but the exact location will not be given until we finish optioning.

Mr. R. S. Smith: I am not going to argue with you. If you can't get your options, that's your problem.

Hon. Mr. Bennett: I am not saying we can't get our options, it just takes time.

Mr. R. S. Smith: What specific development is going to take place in northeastern Ontario to replace the ill-fated Maple Mountain on which you spent some \$300,000?

Hon. Mr. Bennett: How much did we spend?

Mr. R. S. Smith: You spent \$310,000. That's right, my figure is right, you don't have to check it. What is going to take its place?

Mr. Boyer: Mr. Smith, we have, just about ready for distribution, a province-wide development plan. The development plan emphasizes opportunities in the province for various kinds of tourist development that would be attractive to private enterprise. We have identified 17 to 19—I'm not quite sure about my figure—areas of the province that particularly lend themselves to more development. We are now conducting three zone studies, with the amount of funds we have available this year, three intensive studies of the 17 areas. Those areas are Algoma, Renfrew county to Kingston, the St. Lawrence Valley from Cornwall to Trenton.

There are two or three zones in north-eastern Ontario and as funds become avail-

able they will be intensively studied as well. And by intensively I mean this: We have said that marina development is probably a good idea in the St. Lawrence valley. The intensive zone study will say: All right, if marinas are needed here we want a marina in places A, B and C, not in X, Y and Z. They should consist of these services, they should offer these services, they should have a certain number of slips—we'll be studying with that kind of intensity.

[10:00]

Mr. R. S. Smith: This is not really an answer though to a question that I put. I'm asking you what in northeastern Ontario is going to replace the ill-fated Maple Mountain? Obviously your answer must be "nothing" if you're going to talk about marina slips. You spent more without even putting a shovel in the ground than you'll spend on all the marina slips you'll ever build in northeastern Ontario.

Mr. Boyer: No, I just used that as an example.

Mr. R. S. Smith: In other words, at the present time there is no plan for any major development in northeastern Ontario?

Mr. Boyer: Correct, sir.

Mr. R. S. Smith: Thank you. I think that's rather sad, when you think of the promises that were made in that area—not by this minister but by his predecessor, who led the people down the garden path. I think it's only indicative of what some governments will do to get a few votes. That's their problem. The first thing the tourist sees when he enters this province, from the west at least, and the first facility that he wants to use is usually the picnic areas. If you look at the picnic areas, coming from Manitoba, you'll see some very nice areas, very good areas. You'll see some good areas in the Kenora area, and you see nothing until you get down into the Port Arthur area, then you see a few there. Then you see very little from there right down until you hit Highway 11, coming south from North Bay. Coming in from the Sault, you see the dirtiest picnic areas that I've ever seen. I would like the minister to comment on this. This is the first thing that most tourists see. Most tourists in northeastern Ontario are the family type tourists—a person like me who has four or five kids and has to eat in picnic areas, not like the minister.

Mr. Reed: Absolutely correct.

Interjections.

Mr. Chairman: Order, please.

Mr. R. S. Smith: No, this is true, I'm not inferring anything. It's fine to say that most people can eat in restaurants, but the majority of the travelling public with families cannot afford to eat in restaurants on a permanent basis when they are on their two- or three-week trips, so they use these picnic areas considerably. I'm telling you that in northeastern Ontario they are not only a disgrace but they are a mess and they are nothing for us to be proud of. If we do nothing else in tourism we should clean these areas up and make them useful.

Hon. Mr. Bennett: Mr. Chairman, while I accept to some degree the criticism that's levelled, I must say that it doesn't relate to the Ministry of Industry and Tourism, it happens to be in the Ministry of Transportation and Communications. One of the things that we've been—

Mr. R. S. Smith: Just one minute now, the upkeap may well be within the Ministry of Transportation and Communications, but it's very significant to tourism.

Hon. Mr. Bennett: You didn't let me finish.

Mr. R. S. Smith: Okay.

Hon. Mr. Bennett: I was saying the responsibility of acquiring the lands, maintaining the lands and developing the roadside sites is within the Ministry of Transportation and Communications.

Mr. R. S. Smith: I realize that.

Hon. Mr. Bennett: One of the things that we've been suggesting very strongly to the minister on picnic areas, and one of the points brought home by a great number of travelling people in Ontario—not Ontario residents; I'm talking about others who visit the province and write us letters about things—is rest areas, where they can pull off some of our major highways for either a picnic or just for an hour's sleep and relax, and that's really what we've been aiming at, more than just the picnic table situation. I accept the fact that some provinces may have a greater number than we have in relationship to the travelling public. Again, as Mr. Snow will tell you, you can put your money into that, you can put your money into a number of other things. I can accept some of his problems, because he's got Julian arguing for his county to get more money for road subsidies

in the county and as a result he doesn't put it into roadside stops.

Mr. Reed: You're one—

Hon. Mr. Bennett: You don't want it? I'll tell him that tomorrow.

Mr. Reed: Let's call a vote.

Hon. Mr. Bennett: Mr. Smith, we agree with you that there could be a better programme in developing more roadside rest spots, picnic areas or whatever you wish to call them.

Mr. R. S. Smith: Is the department of tourism at all interested in getting into this development in conjunction with the other ministry? This is significant because you can say that you agree with me, but its implementation is somewhere else. To get something done, you have to have some kind of rapport between your ministry and that ministry.

Hon. Mr. Bennett: We've had our inputs with Transportation and Communications and we continue as a result. I'll tell you that your travel associations, for example, are a great input into the establishment of the very type of projects that you're speaking of. They've also met with the Minister of Transportation and Communications to indicate that they believe in their areas certain road site facilities should be established. I'm referring to picnic areas or rest spots. We have a great amount of input from travel associations as it relates to how we handle garbage along roadside rest spots. There have been some suggestions that some of the western provinces have a little different contraption for disposing of garbage from cars along major highways, where they don't really have to pull up to a rest area to dispose of it. We've asked the Minister of Transportation and Communications, on the advice of the travel associations, to look into it further to see if we can't establish a similar system in Ontario.

Mr. Chairman: I'd just like to remind the committee that we have 25 minutes left. I have Mr. Kerrio and Mr. McKessock.

Mr. Kerrio: Just on a point, is there any chance that we can extend this from 10:30 to possibly 11 or after 11? There are a couple of important votes and I don't think I would want to vote on them unless we've had some chance to discuss them.

Mr. Angus: We're willing to support that suggestion.

Mr. Chairman: That's up to the committee.

Mr. Angus: I'll make that a motion, Mr. Chairman, that we sit to 11 o'clock.

Mr. Chairman: It's got to be unanimous. Is everyone in favour of sitting until 10:45?

Mr. Angus: I said 11 o'clock.

Mr. Eakins: Can't we sit tomorrow? We still have a lot of votes to pass.

Mr. Chairman: I understood it had to be an unanimous vote.

Interjections.

Mr. Kerrio: Surely the minister wouldn't want to see us adjourn without approving all of these votes and would be only too glad to have some discussion on the final votes.

Mr. Angus: Mr. Chairman, we didn't hear the ruling.

Mr. Chairman: It must be a majority vote.

Mr. Angus: Mr. Chairman, I draw your attention to my motion on the floor to sit until 11 o'clock.

Mr. Chairman: We have a motion moved by Mr. Angus that we sit until 11 o'clock. I don't have any record of who is replacing whom here. The ones that I have here who are members of this committee and who will be voting are Bain, Bullbrook, Cunningham, Shore, Gigantes—

Mr. Angus: I replaced Ms. Gigantes on Friday. She's not attending the committee.

Mr. Chairman: Mr. Angus has replaced her.

Mr. McKessock: I'm replacing Mr. Bullbrook.

Mr. Chairman: Apparently Mr. Angus notified us of that on Friday when I wasn't here. You didn't notify the committee today. We also have Lane, Laughren, Riddell, Samis, Williams and Yakabuski. All those in favour of sitting until 11 o'clock?

Interjections.

An hon. member: It must be unanimous.

An hon. member: Mr. Chairman, you have the deciding vote.

Mr. Chairman: Mr. Johnson has a vote. I declare the motion lost, and we'll continue.

Mr. Kerrio: I'll make my comments as brief as possible. I would like to address myself to items two and three, tourist industry development and tourist marketing development.

We are very fortunate in Niagara to have one of the great attractions of the world. Be that as it may, I think that the aggressiveness and interest in Niagara by the people in the Niagara Resort and Tourist Association are the real reason it's so successful down there. I'll outline briefly the activity of this association and then bring some of their concerns to your ministry.

Some 16 million tourists pass through Niagara, spending somewhere in the neighbourhood of \$240 million. There are some 7,000 rooms there and the Niagara Resort and Tourist Association, of course, being as active as it is, spends some \$580,000 in advertising in the United States, Ontario and parts of Quebec.

The corporation of the city of Niagara Falls supplements the association's funds with \$130,000. The reason I mention this is that I take a lot of pride in the fact that those people down there are doing this kind of a job. Some 10 years ago they paid for a film called Location Niagara, which they have been using for nearly 10 years until the ministry saw fit to make a new film for the area—a little larger than Niagara, I suppose, covering the frontier down there.

The tourist season culminates this Friday with the Misty Awards. I'd like to extend to you, Mr. Minister, and to you, sir, an invitation to come down on Friday night and see the crowning of Miss Hospitality in recognition of all the great people in the tourist industry of Niagara.

Now that brings us to the problems at hand.

Mr. Cassidy: He might not know what to say to her.

Hon. Mr. Bennett: Don't worry about that. I think I could accomplish that.

Mr. Kerrio: There are problems on the horizon which we can do little about. One of them seems very significant and it is that New York state is talking about legalized gambling. Hopefully, it may be in Atlantic City and not in Niagara Falls, New York. As I say, this is a jurisdiction over which we have no power.

The area in which I would ask for help—and some initiative by your ministry has already transpired through Mr. Boyer—has to do with signing in the area. Niagara has the Queen Elizabeth Way dividing it in half and a couple of major arteries going in the other direction—

Mr. Ziembra: What about you? Do you want legalized gambling? Do you want to legalize gambling?

Mr. Kerrio: Signing is a very significant part of the industry because immediately crossing the border, we have had some difficulty in the past with the Ministry of Transportation and Communications attempting to build a funnel in Niagara to shoot everybody over to Toronto. It's our very grave concern that we have them stop for at least a couple of days there.

Signing is one of the things we are hopeful is going to be resolved and, as I said, Mr. Boyer has been down so it's under way. With the input we have from the industry and people in the business world down there helping develop the signing, I'm sure that's going to be resolved.

The questions I have of you, Mr. Minister, are in a couple of related areas where the industry could use help. The fact that there are some 7,000 rooms in Niagara Falls available but unused for such a long time through the winter months is a great problem in the industry.

The other matter which has been brought forth on the floor two or three times and which seems significant is that the high cost of travel in Canada today is now somewhat discouraging to American travellers. I hope there is something we can do in that specific area.

[10:15]

On these two particular problems, I think our people have done as much as they can researching the problems. You know that they have built a big convention centre in Niagara Falls, New York, that was going to be the end of the problems in that city and it just doesn't seem to fill the bill. It very possibly has saved us the same type of an expenditure on our side because it would appear now that it does not, in fact, draw people to that area in the winter.

Mr. Angus: Mr. Chairman, on a point of order if I may. If there are only three voting members in this committee at the present time do we have a quorum?

Mr. Chairman: I am told by one of your former leaders, Mr. MacDonald, that if the chairman says "I see a quorum" then there is a quorum. I saw a quorum so that is a quorum.

Mr. Angus: Unless somebody disputes the ruling of the Chair.

Mr. Chairman: I don't know. I can't say.

Mr. Angus: The clerk is nodding his head.

Mr. Chairman: Let's continue.

Mr. Cassidy: On a point of order, Mr. Chairman—

Mr. Chairman: What do you want to do? Do you want to close off the meeting?

Mr. Cassidy: We understood there was an agreement that there would be a sharing of time. That hasn't taken place. There isn't a quorum present. This whole thing is getting into a farce. The minister is being protected by the Liberals and the Tories combined.

Mr. O'Neil: Let's not go too far, Mr. Cassidy. We are one of the ones that suggested that we go to 11 o'clock.

Mr. Eakins: Don't try to make that statement. You are a latecomer.

Mr. O'Neil: You haven't been here for the whole meeting.

Mr. Eakins: You should be here for the rest of the estimates and you would see.

Mr. Chairman: Order. Continue, Mr. Kerrio.

Mr. O'Neil: Mr. Chairman, on a point of order, I do feel that for the minister and the Conservative members of this committee not to be in agreement to go until at least 11 o'clock so that we may cover all of the estimates, especially when we are dealing with the last item—I would like to hear a comment from the minister to see if he couldn't have some influence over the two Conservative members so that we could have some discussion on this final item. I think it is quite important.

Hon. Mr. Bennett: I am at the disposal of the committee, Mr. Chairman. I am not going to persuade the members to sit beyond 10:30 if it is not their choice to do so. I am prepared to discuss the estimates. I think if we go back and look at some of the time that has been spent on some of the discussion, maybe it could have been more progressively—

Mr. O'Neil: I agree with you, but again, don't you think that there are certain items that should be discussed by this committee and answered by yourself?

Mr. Lane: Mr. Chairman, I would like to point out, talking about sharing the time, we sure haven't used our third of the time. I used about five minutes, and I am not pre-

pared to sit beyond 10:30 p.m. I have been sick with the flu all day, I have been here since 7 o'clock, and I plan to go home at 10:30.

Mr. Cassidy: With great respect, Mr. Chairman—

Mr. Chairman: I'll have to correct you, Mr. Lane, you used six minutes.

Mr. Lane: Thank you very much.

Hon. Mr. Bennett: Mr. Chairman, let me answer only Mr. Cassidy, who seems to want to aggravate the situation, which he is capable of doing at any time. The situation is, Mr. Cassidy, if somebody asks a question I intend as the minister to try and respond to it as positively and as completely as possible.

Mr. Cassidy: As is your right. But Mr. Lane is trying to take double time, that is all.

Hon. Mr. Bennett: That is correct. Let me just illustrate, my time is not considered part of the Conservative caucus time. It is considered as part of the minister's time in responding to questions of any party.

Mr. Lane: How do you think I want double time? I have taken six minutes of these estimates.

Mr. Chairman: Mr. Kerrio, would you complete your remarks?

Mr. Kerrio: I would like to. Thank you very much, Mr. Chairman. To come to the two questions that I think are very important and urgent in the industry as we see it, there is the matter of how we can maybe resolve some parts of the travel costs in Canada with related industries or other ministries, and if the ministry could address itself to this winter-time problem of seeing if we can help the accommodations throughout Ontario, not only in Niagara but throughout Ontario, in the use of these facilities to a greater degree than in the season.

Mr. Boyer: In regard to the winter problem, we will undertake to meet with the Niagara Tourist Resort Association to see if, together, we can come up with some solution. I have seen the Falls in the winter, and they are perhaps more attractive than they are in the summer. As to the pricing problem, that is a national one. We have met with a group assembled by the federal office of tourism from the private sector. It is a matter that will be discussed at the federal-provincial ministers' conference at the first of next week and we will report to you on

what results, if any, emanate from that meeting.

Mr. McKessock: Mr. Minister, you suggested a few minutes ago, I believe, that motel operators were doing very well.

Hon. Mr. Bennett: Not to my knowledge, I didn't.

Mr. McKessock: I have been contacted by motel operators in Meaford since you took part in the recent announcement of an expansion costing several million dollars in the town of Thornbury. They are wondering how this is going to affect them and what you might have in mind in the way of helping the neighbouring town of Meaford. Some motels in that town have considerable ODC money invested in them. Their position right now isn't as great as they would like it to be, and they are wondering how it is going to be in the future with great hotel expansions in the town next to them.

Hon. Mr. Bennett: But you will agree that the initial development of the project that was announced is the skiing operation, and not any of the accommodations. It is to bring the ski hills, the new lifts and the various other aspects of that hill, as well as the cross-country skiing, into operation in a relatively short period of time. There will be some period—I think it is a 10-year planning stage—for the development of other accommodation on the hill. In my opinion, there is an extremely golden opportunity for the motel and hotel operators in that immediate area to take care of weekend visitors particularly who wish to go to that particular resort area for skiing. I don't see it as being detrimental to their position at the moment; I don't see it as being detrimental to their position in the long run.

Votes 2104 to 2106, inclusive, agreed to.

On vote 2107, administration programme:

Ms. Sandeman: Under this vote, and particularly around the personnel area, I am sure the minister is aware of the report of the executive co-ordinator of women's programmes on the status of women Crown employees of Ontario, prepared in 1974-75. In connection with that, there are a couple of things I would like to raise in the very few minutes I have. I notice that the minister has brought with him many of his staff. I don't see a women's advisor with the minister. Could he tell us who his women's adviser is and why he didn't think to bring her with him tonight?

Mr. Ritchie: Mrs. Margaret Cunningham is the full-time women's adviser and has been employed with us for about two years. I couldn't really say why she didn't come this evening. She generally comes over to these meetings.

Ms. Sandeman: I can see no distinct budget for the women's programmes in your estimates, but that is not unusual in the government at the moment, although the report of 1974-75 encouraged all ministries to produce a distinct budget for the women's programmes.

I would like to ask you, if I may, what progress you have made in your ministry since this first report in doing something about the very discriminatory salary distribution between men and women employees in your ministry. When this report was produced only one per cent of the men in your ministry earned salaries under \$9,000 whereas 47 per cent of the females earned less than \$9,000. In addition, a third of your men employees in that year earned over \$21,000, but none of your women employees earned as much as that. Women are overrepresented at salary levels below \$13,000 and underrepresented at all other salary levels. The most indicative figure is the average figure. The average for men's salaries in 1974-75 was \$19,169 but the average for women's salaries in that year was just half of that, \$9,638.

What progress have you made in getting women advanced in your ministry and in doing something about equalizing that very extreme split? In fact, it is worse than the average in the province; the provincial average for women is 60 per cent of men's salaries. It seems to me indicative that the Ministry of Industry and Tourism, which should be giving a lead to industry, is in fact, or did have in 1974-75, a worse record than industry to which it should be giving some kind of lead. Have you improved those figures?

Mr. Ritchie: It is unfortunate that Mrs. Cunningham is not here this evening because she did a very thorough study on the report. I believe there is also a footnote on the report, pertaining to our particular ministry. Our ministry is primarily an industrial development type of industry. The large number of employees require professional engineering qualifications. There are very few professional women taking engineering at this time.

In the general administrative fields, the report this year, she tells me, shows a considerable improvement. We have a larger

number of women managers. I could get this information from her most recent report and send it to you. We ran a competition about three months ago open to the general public, for industrial development officers. We had more than 300 applications and there wasn't one application from a woman, again because of the requirements of engineering.

We have talked to other people in the engineering field. One company we spoke to told us they had much the same problem and, in fact, had managed to recruit, as they described it, the total graduating class in chemical engineering which turned out to be one woman. This is the main area.

In educational training for women to upgrade their qualifications the ratio is nearly two to one for women on educational support, considering the ministry has a very large number of men—

Ms. Sandeman: It may be true, Mr. Chairman, that the industrial development officers in the ministry are all men because there are no women engineers trained yet, but the Ontario Development Corporation and particularly the Ontario Place Corporation has an equally poor record.

I don't imagine that your Ontario Place employees are engineers, yet 43 per cent of them in 1974-1975 were earning between \$7,000 and \$9,000 but none of the men at Ontario Place was earning that little. Some 20 per cent of the men at Ontario Place were earning more than \$21,000 but no women were. What I am saying to you is that the picture is the same from within the various parts of your ministry.

I would like to ask you, finally, if the problem is that there are no women engineers, what is the Ministry of Industry and Tourism doing to say loudly and publicly that that situation is not acceptable in 1976 in Ontario; that it is no longer acceptable that certain jobs in industry are seen as the prerogative of men while certain other jobs, generally the clerical jobs, the social work jobs, the cleaning out the toilet jobs, are seen as the prerogative of women. Are you going to show any leadership in that regard?

An hon. member: I've never seen the minister speechless.

Hon. Mr. Bennett: I am only picking my words.

An hon. member: Yes, very carefully.

Hon. Mr. Bennett: Carefully is right.

Mr. Bain: Remember your mother is listening.

Hon. Mr. Bennett: My mother would appreciate the answer likely a great deal more than some others would. I think industry on its own has had the chastisement through the public media, on many occasions. It need not be government telling them. The public sector has told them, the news media has told them. I think the president of the Royal Bank got the message in rather clear, distinct tones from the news media. I am sure that if I followed boards of directors appointments across this province in the last number of months I would find it has become very much their concern that they should try to bring—and I hope it won't be misunderstood by the member—representation on the board, not token representation but effective representation on their boards of directors. The banks particularly should be given certain credit for moving forward and making sure some of the senior positions throughout the bank, from economists right down to branch managers, have been filled by women in our society.

[10:30]

Mr. O'Neil: Mr. Chairman, it being 10:30 o'clock, I would like to move that we sit tomorrow morning at 10.

Mr. Bain: I'll second it.

Mr. Chairman: You have heard the motion.

Hon. Mr. Bennett: I should think, Mr. Chairman, that's a decision that will have to be deferred because we have coming up, if I understand correctly, as agreed by the parties, the Provincial Secretariat for Resources Development.

Mr. Angus: On that point, Mr. Chairman, does that ministry not sit at 2?

Mr. Chairman: I understand there is a cabinet meeting tomorrow and the minister will be available from 3 till 6.

Mr. Laughren: That's not what the minister just said.

Mr. Chairman: We haven't been in the habit of sitting in the morning.

An hon. member: The committee can sit in the morning if the committee so chooses.

Mr. Angus: The minister has stated that he's at the pleasure of the committee.

Hon. Mr. Bennett: At this hour of the day, that's correct, if you are referring to today,

Mr. Angus: That's exactly what your motion related to.

Mr. Laughren: Is the minister available tomorrow morning?

Hon. Mr. Bennett: No, I am not available tomorrow morning.

Mr. Chairman: That's the problem. With respect to vote 2107—

Mr. Angus: I'm sorry, but there is a motion, Mr. Chairman. We haven't disposed of that.

Mr. Chairman: Have you completed your remarks?

Ms. Sandeman: I guess I have.

Mr. Chairman: Is there any further discussion on 2107?

An hon. member: There isn't, Mr. Chairman.

Mr. Chairman: No further discussion? Then this vote can carry.

Vote 2107 agreed to.

Mr. Chairman: Let's go on to 2108.

Mr. Angus: Mr. Chairman, there is a motion on the floor. I would like that dealt with.

Mr. Chairman: The minister said that he can't be here.

Mr. Angus: Speaking to the motion, if I may, by way of offering another alternative, which I think has a certain precedence within this government structure, the concern of this committee right now is being able to discuss the development corporations and their roles in the province of Ontario. We have in the Ministry of Labour a segmentation of the estimates of the Workmen's Compensation Board which is dealt with separately. I am wondering whether the minister would be agreeable and whether the other committee members would as well—and I would assume the House leader would have to be involved—to not approving vote 2109 at this time and arranging somewhere along the line before, I believe, December 2, when the estimates have to be completed, to set aside an afternoon, an evening, a morning or whatever, to discuss the estimates of the development corporations.

Mr. Chairman: In other words, you would carry 2108?

Mr. Angus: Yes, but let's not even ask about that one now; let's follow this through, if we may, Mr. Chairman.

Mr. O'Neil: Mr. Chairman, further to my motion I will remind you that Wednesday is designated as the committee day and it's up to the committee to decide whether it wants to sit on Wednesday. I've made a motion that we sit at 10 tomorrow morning and it has been seconded.

Mr. Ziemba: I would like to speak to the motion, Mr. Chairman. I am impressed with the backup staff that the minister has brought with him today. I have never seen such a line-up of high-priced talent, and I don't feel that we've had our money's worth.

Hon. Mr. Bennett: You get that all year.

Mr. Ziemba: They are all sitting there waiting to do a number and I'd like to give them an opportunity.

Mr. Bain: I realize that the minister wants to maintain a good attendance at cabinet but considering they're his estimates, if we should choose that they would be discussed tomorrow morning, I'm sure the cabinet would not make any decisions that he would be involved in tomorrow morning at their meeting and he could be here.

Mr. Angus: He is worried they might.

Hon. Mr. Bennett: There is always that possibility. My only suggestion is that I think it should be left with the House leaders. They're the ones who set the rules. I didn't set the time that committee was sitting or who was to be before committee.

Mr. R. S. Smith: It's left to the committees themselves to sit whenever they so choose in those hours that are set out by the Legislature. The Legislature has set out that the committee may sit in those hours that the House sits, plus Wednesdays. That has been a motion of the House that has been passed by the House. The committee could sit every Wednesday, if it desires, from 10 in the morning until 10:30 in the evening.

Hon. Mr. Bennett: I'm not finding fault with any decision this committee should make. I'm only saying that the instructions given to me and I think to the Chairman was that there had been a decision relating to the hours for each committee. I am not sure what time Mr. Irvine is coming in tomorrow. If it's the wish of the committee to sit for a period of time tonight and do the Ontario Development Corporation, I have no objections. The fact remains that I'm not even sure that a half an hour is going to be what some people would want to take in that particular area.

Interjection.

Mr. Eakins: Could we not set a time on another day when we could do these particular votes? I wouldn't want to vote just to get them through tonight without having an opportunity to discuss them.

Mr. Chairman: I would point out to the committee that this time will be taken away from the Ministry of the Environment.

Mr. Bain: Mr. Chairman, there is a motion on the floor and I think we should vote on it. Logistics can be worked out if the motion is passed.

Mr. Chairman: There is not much point in meeting tomorrow morning if the minister isn't able to be here. That's the point.

Mr. Riddell: Is the minister indispensable? The minister is surely not indispensable? His estimates are up, we are in the midst of considering his estimates—who the hell do we please around here, the minister or the committee?

Mr. Chairman: Will you be here tomorrow morning? You haven't been here today and I wondered—

Mr. Riddell: Yes, I will. The farm bill happened to be up—

Mr. Chairman: Some of the rest of us should have been in the Legislature as well.

Mr. Riddell: Well, that's fine. I happen to be the agricultural critic and I had to speak on the farm bill. That's the reason I haven't been here.

An hon. member: We are also the estimates committee and that's why we're here.

Mr. Riddell: I can assure you that I will be here tomorrow morning at 10, if we decide to sit.

Interjections.

Mr. Chairman: Sure, you will vote for tomorrow morning but if the minister isn't going to be here what's the point—

Mr. Laughren: He hasn't said that if the committee passes a motion to sit tomorrow morning, he will not be here. Why don't you put the question?

Mr. Johnson: I think the Chairman has been acting under instructions from the three House leaders—is this not true, Mr. Bain?

Mr. Bain: There were no instructions that the committee sit in the morning.

Interjections.

Mr. Chairman: There was an all-party agreement that we would conclude these estimates by 10:30 tonight.

Mr. Angus: That's a point, except the intent of that was to ensure we do not infringe upon the time for the Ministry of the Environment. If we can find a time period between 10:30 this evening and 2 p.m. tomorrow we do not negate the idea behind the timetable of the estimates of the Ministry of Industry and Tourism.

Mr. Eakins: It's a novel situation when you want to work and you can't.

Mr. Chairman: I understood there was an agreement that we would conclude these estimates at 10:30 tonight. Actually, if that's the way you are going to carry out your agreements, there's not much point in making an agreement.

Mr. Laughren: Mr. Chairman, that doesn't violate the agreement.

Mr. Chairman: It certainly does violate the agreement.

Mr. Laughren: No, we've said—the agreement was that we complete these estimates in order to begin the next estimates tomorrow afternoon.

Mr. Samis: Mr. Chairman, maybe we should ask the question about sitting longer this evening—even if we had to sit until 11:30—to get it completed tonight?

Mr. Chairman: I'm quite willing to sit until 11:30 or midnight or whenever you want.

Mr. Laughren: Surely you are required to put a motion?

Mr. Chairman: We have passed 10:30 anyway.

Mr. Angus: Mr. Chairman, there is a motion on the floor.

Mr. Chairman: The motion was not made before 10:30.

Mr. Angus: It was so.

Mr. Chairman: It was made after 10:30. The motion was made after 10:30 because Ms. Sandeman spoke until 10:30.

Mr. Riddell: You hadn't adjourned the meeting.

Mr. Chairman: I will now adjourn the meeting.

Mr. Angus: Mr. Chairman, you have done so without approving the last two votes of this ministry. I put that on the record.

Mr. Chairman: That's right.

Mr. Angus: You have ignored the wishes of this committee.

Mr. Bain: You have violated your own admonishment that the votes had to be finished; now you have adjourned the meeting before we have finished them.

Mr. Chairman: Because you don't want to carry on.

Mr. Angus: You wouldn't even let us vote on a motion. Put that on the record as well.

The committee adjourned at 10:39 p.m.

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Bennett, Hon. C.; Minister of Industry and Tourism (Ottawa South PC)
Cassidy, M. (Ottawa Centre NDP)
Eakins, J. (Victoria-Haliburton L)
Johnson, J. (Wellington-Dufferin-Peel PC)
Kerrio, V. (Niagara Falls L)
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Ministry of Industry and Tourism officials taking part:

Boyer, F. J. Executive Director, Division of Tourism
Fleck, J. D., Deputy Minister
Garland, M. L., Executive Director, Division of Industry
Ritchie, W. G., Executive Director, Administration Division
Stadelman, W. R., Executive Director, Ontario Research Foundation
York, P. A., Assistant Deputy Minister



Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, PROVINCIAL SECRETARIAT
FOR RESOURCES DEVELOPMENT

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, November 24, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

WEDNESDAY, NOVEMBER 24, 1976

The committee met at 3 p.m.

ESTIMATES, PROVINCIAL SECRETARIAT FOR RESOURCES DEVELOPMENT

Mr. Riddell: Mr. Chairman, on a point of order. If I recall correctly, I had the floor last night and I made a motion which was seconded and you failed to put the motion. There was no motion to adjourn so, in effect, we are still sitting and I feel you should deal with that motion now.

Mr. Chairman: That we meet this morning.

Mr. Riddell: Put it to the people. Pardon?

Mr. Chairman: That we meet this morning.

Mr. Riddell: Yes. I feel we just can't leave the motion up in the air. I feel that it's got to be dealt with and then we will carry on from there.

Mr. Angus: Speaking to the motion, Mr. Chairman, I would concur with the Liberal mover of the motion and I would just like to point out that the proceedings last night were quite difficult, and I think went against the grain of the minority democracy system we have today. I would anticipate that this motion will pass and it should be noted that it is passed in such a manner as to comment on the actions of the Chair last evening.

Mr. Chairman: Actually I've checked with Mr. Bennett's office and we'll be going on to his estimates tomorrow after the question period.

Mr. Angus: I thought, Mr. Chairman, that was up to the discretion of this committee?

Mr. Chairman: If the committee wishes, they will return.

Mr. Angus: We have other suggestions to place before this committee after this motion is dealt with.

Mr. Chairman: All in favour of the motion that we sit this morning?

Mr. Angus: At 10 o'clock this morning.

Motion agreed to.

Mr. Cassidy: Mr. Chairman, is it agreed that the morning session now adjourn?

Mr. Angus: Mr. Chairman, I have a motion I would like to place.

Mr. Chairman: Mr. Angus moves that this committee consider the final two votes of the Ministry of Industry and Tourism, votes 2108 and 2109, at 9 a.m. on Thursday, December 2, and meet until 2 p.m. if necessary to complete those votes.

Mr. Riddell: I'll second that for you.

Mr. Haggerty: You want a long weekend.

Mr. Angus: I want a long weekend?

Speaking to the motion, if I may, Mr. Chairman, we have consulted the House leaders—or at least their assistants—to ascertain that Thursday, December 2, is a time at which an estimate could be discussed without infringing upon any three-party pre-commitments to further estimates or further utilization of this committee. I would urge the members of this committee to support that so we may have an opportunity of discussing something in the neighbourhood, I believe, of \$82 million worth of spending by the Ministry of Industry and Tourism.

Mr. Chairman: Yes, that's the last two votes.

Mr. Angus: Ontario Place and Development Corporations.

Mr. Lane: Mr. Chairman, I would support the concept of the motion provided the minister can be with us. I don't know what his agenda might be; he may not be able to be here at that particular point in time.

Mr. Angus: I'm sure—

Mr. Chairman: At 9 o'clock on Thursday—

Mr. Angus: Thursday, December 2—not tomorrow. December 2 is the last day allowed for discussion of estimates. I would hope, Mr. Chairman, that the minister would be

more than anxious to appear before this committee and discuss the estimates of these two very important areas.

Mr. Chairman: I know he would be available tomorrow.

Mr. Gaunt: Mr. Chairman, I would certainly support that. I think the normal date for termination of consideration of the estimates was December 1. I think, in view of the circumstances last night and again today, it's appropriate that the estimates of the Minister of Industry and Tourism be extended to the degree the hon. member has suggested. Those votes are big votes; they're important votes and I think it appropriate that we should be given that extra time to consider that spending programme.

Mr. Laughren: We could deal with them now before we go to lunch.

Mr. Gaunt: Pardon me?

Mr. Chairman: We can make—

Mr. Gaunt: A late lunch.

Mr. Chairman: As I understand it, we can make the recommendation and then it'll have to be approved by the House? Is that right?

Mr. Angus: If I may, Mr. Chairman, speaking to that comment, in my short experience in this Legislature, when a committee has decided—for instance, say last night we had decided to sit this morning, we wouldn't have had an opportunity to go back to the Legislature for approval. We would just do it and we have the option to—

Mr. Laughren: Mr. Chairman, on that point, I think you would require permission of the House if we extend the time allocated to estimates. We'd require permission of the House.

Mr. Chairman: We would be sitting on estimates that day, as well.

Mr. Laughren: If it's extending the time for estimates we need permission of the House; if it is not extending the time, we would not.

Mr. Chairman: That's right.

Mr. Angus: As we understand it, December 2 has been established as the last day for discussing the estimates.

Mr. Gaunt: So we're not extending the time?

Mr. Angus: No, we're not.

Motion agreed to.

Mr. Angus: Mr. Chairman, I have one further quick motion to make. Yesterday in the House, the Minister of Industry and Tourism (Mr. Bennett) indicated he would look into the possibility of tabling the leases relating to Thunder Bay Ski Jumps Limited in Thunder Bay.

Mr. Chairman: Mr. Angus moves that the minister be directed to table those documents with the resources development committee on December 1, so the members of this committee have the opportunity to review them so they may be in a position to ask questions of the minister on December 2 at 9 a.m.

Mrs. Campbell: Would the member, Mr. Chairman, rephrase his motion to say "on or before December 1"?

Mr. Angus: I would be most happy to.

Mrs. Campbell: May I suggest that might be appropriate.

Mr. Angus: Mr. Chairman, if I also may point out that when I say leases, I refer to the lease between the Northern Ontario Development Corporation and Big Thunder Ski Jumps Limited and the lease between Big Thunder Ski Jumps Limited and Mount Norway Resorts Limited, and the lease between the Ministry of Natural Resources and Little Norway Ski Resorts Limited.

Motion agreed to.

On vote 1601, resources development policy programme:

Hon. Mr. Irvine: Mr. Chairman, I was going to say that if the members of the committee would allow me a few minutes to present some of the facts relating to our resources development policy field, I would appreciate that. As is known to some of the members, but not to all, we have eight ministries that are with us every week, if not more than once—the Ministry of Agriculture and Food, the Ministry of Energy, Environment, Housing, Industry and Tourism, Labour, Natural Resources, Transportation and Communications, and at the same time we have the Treasury, Economics and Intergovernmental Affairs, and we have also Management Board present for deliberations. So we have the job to provide a link among not only all those ministries I described, but between each individual ministry and we have to proceed to analyse, we have to proceed to co-ordinate the ministries to the best of our ability as it relates to their programmes,

to their policies, and how these programmes and policies will affect the rest of the government and the rest of the province.

As the vote indicates, as the resource policy secretary I am also responsible for the Royal Commission on Electric Power Planning. I am responsible for the Niagara Escarpment Commission, and I thought it might be helpful if I went through briefly, and I say briefly, what the position is as it relates to the Royal Commission on Electric Power Planning.

At the present time it has had preliminary hearings that will be finalized somewhere in January. It has had a very good response throughout the province and I think this commission has worked to the benefit of all the people. I would expect that the commission will start final hearings early in 1977 and will conclude its hearings with a report to the government by the end of 1977.

As far as the Niagara Escarpment Commission is concerned, as some of you know, the commission has been appointed and has been administering The Niagara Escarpment Planning and Development Act since 1973. We have since then supplemented the commission's activities by appointing two advisory committees—one being interest groups and one being the municipally elected and appointed people—so we have a broad input into the plan now being prepared. I expect the plan will be presented to the government for approval by the Niagara Escarpment Commission by the end of 1977.

We feel the commission has acted very well on behalf of the people of Ontario to preserve to the greatest extent possible the Niagara Escarpment. I know that everyone will not agree that it has acted in the best interest as far as an individual is concerned at all times, but I think we have to take a broader view. We have to look at the over-all fact that we are trying to preserve a very unique part of our province and those who in one area may be saying that we are not providing enough severances or we are not allowing enough development, are entirely opposed in other areas where they are saying we are allowing too much. I have tried to express this view personally to some of the members of this committee, Mr. Chairman.

[3:15]

We see that the commission will be performing a very vital role, and I want to compliment the commission before this committee by saying that in my opinion they have done an excellent job up to now and I expect they will do so in the future.

We are responsible too, I think the members of this committee should know, for the science policy, which is a very important part of government work. Just very briefly, to bring everybody up to date, I would like to say that science policy was made our responsibility, as Provincial Secretary for Resources Development, in 1973. We have assumed that responsibility and after various extensive discussions by cabinet in early 1975, cabinet approved the formation of an advisory committee on science policy to advise the minister. The objectives of the Ontario science committee are to assist in supporting the economy of Ontario by providing an adequate research base, to provide the most effective co-operation between the provincial government, the universities and industry in the province, and to provide the co-ordination of the province's policy programmes in all areas of research, and in all areas of development, with other provinces and with the federal government.

I would like to say that my deputy minister is the chairman of the advisory committee, and Mr. Dillon is here with me. The advisory committee is comprised of, as I mentioned, Mr. Dillon, plus the Deputy Provincial Secretary for Social Development, the Deputy Provincial Secretary for Justice, the Deputy Minister of TEIGA, the Secretary of Management Board and the Deputy Minister of Colleges and Universities.

Later on, if there are questions, maybe the deputy minister would speak in relation to science policy.

We are also responsible for the Canadian Council of Resource and Environment Ministers conferences that are held from time to time. The council was initially established in 1962 and was established because of the outflow of the Resources for Tomorrow conference, to deal with the field of natural renewable resources.

In 1971, the scope of the Council was expanded to include all natural resources and all matters relating to management of the environment. At that time its name was changed to the Canadian Council of Resource and Environment Ministers. The council is composed of the federal and provincial ministers in the natural resource and environment fields, and where a government is represented by more than one minister the government involved designated a primary representative. In our case, the Provincial Secretary for Resources Development was the one who has been designated as the lead minister. We also have representations

being made by the ministries of Environment, Natural Resources and Agriculture and Food.

So on a broad basis that's five of the matters that we deal with. Of considerable importance to this committee might be the fact that we do meet with delegations and we do deal with very specific items. Some of the delegations—I will only list a few—that we have met with include the Conservation Council of Ontario, the Ontario Federation of Agriculture, the Ontario Institute of Agrologists, the National Farmers Union, the Wine Council of Ontario, Canadian Railway Labour Association, the Northeastern Ontario Chambers of Commerce and HUDAC. I have personally met with the United Steelworkers as it related to the occupational health problem, and the Ontario Institute of Agrologists, as I mentioned before. I have dealt with people in the forestry industry. I have met with Marcel Cadieux in cabinet as it relates to the European Economic Council and to their views as it relates to Ontario. We have had associations with the Algonquin Forestry Authority, which is very important as far as those of us in the Algonquin area are concerned. We have dealt with many items; I want to only give a few of them and then give everyone an opportunity to question me as to what we might do on some of them. I'll read briefly how I see our role, which I think is being played quite well.

We have dealt with what was The Northern Communities Act which as you know, has now become The Isolated Communities Assistance Act, whereby we are changing what was first perceived as being the proper role of government. When I was the Minister of Housing I thought we could assist by The Northern Communities Act, which has been replaced. We have dealt with that in our committee.

We have also dealt with the provincial and regional planning. We have dealt with the Jamesport feasibility study. We have dealt with airport problems. We have dealt with the mercury problem, which relates very specifically to the English-Wabigoon river system. We have dealt with the Reed Paper situation as it relates to phase one and phase two. We have dealt with the Lake Simcoe anti-pollution conference; people at Lake Simcoe are very concerned that we have a problem there that we should be looking after.

I chaired the interministerial committee that came forth with the recommendation that the Minister of Labour (B. Stephenson) should be the one responsible to respond to

the recommendations of the Ham committee. Dr. Ham, I must say, produced a very thorough report that has been well received in the House.

On matters relating to the environment, in our committee we have dealt with the report of the Waste Management Advisory Board as it relates to milk packaging. We have dealt with The Environmental Assessment Act and reviewed the regulations. We have had extensive and very intensive discussions with people who are affected by The Environmental Assessment Act and its regulations, which I'm sure will be discussed here at some length today or, if not, with the Minister of the Environment (Mr. Kerr).

We have had, I would say, very difficult decisions to make relating to the carbonated soft drink container situation in Ontario and we have come up with some regulations on that. We have had discussions as it relates to the lead contamination in Toronto and in particular as it relates to the five major industries. We have discussed the Nanticoke environmental problem as it relates to the air pollution that we may or may not have in the future. We have discussed problems relating to radiation control measures and the problems that may exist in Elliot Lake and Bancroft.

With Natural Resources, we have discussed the ways and means to proceed with land acquisition in the Niagara Escarpment. We want to ensure that we are not proceeding against the wishes or the future plan, which I mentioned may be forthcoming at the end of 1977, of the Escarpment Commission. We don't want to stop all of the development in the area; we recognize that some lands must be acquired and other lands perhaps can wait until the plan is finalized.

We have also discussed with Natural Resources the problems that will occur and have occurred in the past in relation to way-side pits in the Escarpment development control area.

We have talked about—and we are discussing once again this week—the Temagami land claim that has been presented by the Indians in the form of the caution that has been put forward in the area around Temagami. This has been a very difficult situation, because it has stopped development in the Temagami area. We feel that we have to try to come to some reasoning as to how we can handle the caution in, shall we say, a very appropriate manner, because this claim could result in many other claims being handed to the government if a settlement is made with unnecessary haste.

We have discussed with the Ministry of Natural Resources and visited the sites of the Oshawa Second Marsh, an extension of the Darlington Provincial Park, and the Beaton farm. We've been down to the area and have had discussions with the federal government relating to the development of the harbour. We have also talked with the local people and we've had discussions in the House. We have talked about the policy which should be continued in the future as it relates to sports fish management in contaminated waters. We have talked about the problem of uranium supply and demand.

With the Ministry of Transportation and Communications we've discussed such items as the power for Moosonee, the role of the province as it relates to transit, Pickering Airport, and air services in southern Ontario. We've talked about ONTC passenger equipment acquisition, whether we should approve it or shouldn't. We've discussed an item which, I'm sure, has not been familiar to any of the members here today, an item called "roll on, roll off ferry service." This is something which may have some importance in the future.

On community airports, most of the stress has been in the north, but I'd like to say to you that we've discussed why it could be in the east too. We feel that there could be a greater involvement with T and C in the east.

Mr. Haggerty: And the south.

Hon. Mr. Irvine: And the south, you're quite right. The member brings up the Niagara area. That's exactly what we are studying, namely, how can we supplement the commercial airlines that now exist and make sure that the communities are not isolated from what I think is a very important way of travelling.

The parkway belt has presented a problem with the Ministry of Transportation and Communications in relation to their acquisition of lands. We've had some discussions with the Ministry of Industry and Tourism. I'm sorry the member for Cornwall (Mr. Samis) is not here now, though he was here. I was going to say what I think would be of most importance to him, that the Ontario textile and apparel industries have had a very difficult time and the Minister of Industry and Tourism (Mr. Bennett) and I have been talking to the textile people. We have visited certain areas, which I can expand on later and we have also presented our case to the federal government and have said very

clearly what we think the federal government should do.

We have had, in our field, the proposal for a special resort in the Renfrew area, the Renfrew area being an item which is under the jurisdiction of the Ministry of Industry and Tourism but one which affects other ministries, and that's why it has been discussed in our policy field. We've also discussed the possibility and the reasons why we could allow a proposal by the municipality of Muskoka, for instance. They have requested that they have a change in industrial parks programme and have a different policy for loans.

We've had many hours of discussion with Agriculture and Food relating to the preservation of agricultural lands, food land guidelines and The Farm Income Stabilization Act, which is before us at the present time. Don't think that we haven't had many hours on that before it came into the House. We've discussed the agricultural code of practice at great length. We are trying to ensure that we have additional funding for drainage as we think that the tile drainage programme is a very important one.

Though you would think everything in the south has been drained, there are still areas that have to be. The select committee that went across Ontario did a great job as far as my part of the province is concerned. In eastern Ontario they hadn't taken advantage of tile drainage, and they have since then. I'm delighted to see that we were able to assist the Ministry of Agriculture and Food by getting more funding and being able to relate to the other ministries the reason why and to cabinet in general.

We have also had very extensive discussions relating to the Niagara area, for example, on the grape growers' problem. This is one which has been with the government for a couple of years. The federal government joined in it this year to help resolve it to a degree, but there's much more to be done and I think we can discuss that a little bit further on. We are responsible also for resolving the issue in Grey-Dufferin in relation to community pasture and that has been approved just recently.

[3:30]

As for the Ministry of Energy, we've had various difficult issues before the committee. These include provincial planning as it relates to the Porter commission; the problem with the Bradley-to-Georgetown transmission line; Polar Gas; health and safety and high voltage lines; electrification of remote northern communities—I see Jack is here; he has

certainly been very interested in that—the select committee's report as it relates to bulk power rates for 1976, the report in this current year on bulk power rates for Ontario.

Also, there was the policy that has been proposed by the Minister of Energy (Mr. Timbrell) for energy conservation. We feel this is a very important programme and one that we have to discuss at some length with him. There are three or four that I won't mention at this time as far as they relate to energy, maybe they will come up as questions.

With the Ministry of Labour we are, of course, responsible for the amendments to The Industrial Safety Act and to The Construction Safety Act. We are also responsible, I think, for a suitable solution to the problem of community centre arenas being closed. This was not done without a great deal of work by our policy field, and as far as I know from talking to the people and talking to the members, most of the people and most of the members are quite satisfied with the solution which was brought forward. If there are other thoughts in this committee I would like to hear about them today.

I mentioned that TEIGA comes into our policy field, and you may wonder why I mentioned that. There are many items that relate to planning in relation to our other ministries.

They are, first of all, the role TEIGA plays as it relates to provincial planning, the overall planning for Ontario. There is also the development strategy that has to be approved; it is approved in our policy field before it goes to cabinet. The northeastern Ontario development strategy, and the north-western and eastern Ontario plans as well; the Toronto-centred region plan; project management for northern development; the possible relocation of government activities as it relates to government being centred in Toronto—these are all matters that concern us. We think there is good reason to suggest a decentralization.

Durham subregion is something that is most difficult to work out at this particular time, because of the airport problem and the problem as it relates to the region having an official plan and the fact that we are going ahead with a new city in that particular area.

Other items are the problem that has to be resolved as it relates to the central York servicing scheme—that is something I was familiar with when I was the Minister of Housing. We have the Simcoe-Georgian Bay area which has been before our committee and has to be resolved in the near future, after the OMB hearing is over, as Barrie has

decided to annex certain areas. We are involved in the restructuring and the development of the county of Northumberland. In the Port Hope-Cobourg area, in particular, there is a great demand for development there.

There are a few other items that TEIGA has brought to us. For instance, the disposition of the air force base at Moosonee; the responsibility to proceed with a further resolution of the Wasaga Beach development has been handed to me, to co-ordinate the activities of the other ministries to ensure the Wasaga Beach area develops in concert with the wishes of the local people.

We have, in concert with TEIGA, made a decision as it relates to Canadian Pittsburgh Industries. The Kimberley-Clark development is a good example of where we have discussed what should we do with the single-industry community. The Pickle Lake community was discussed with us, as to how Pickle Lake town site should be developed. The Matachewan town site was discussed with us. Going back to housing, and I'm rather familiar with that having been there, we deal with housing as it relates to the problems that may occur if certain developments are allowed to happen because of an official plan, or because of the lack of an official plan, or the lack of severances or the granting of too many severances. If there is a problem which the Minister of Housing has in this area, he brings it before the committee to determine that he has all the input necessary, not only from the local people but from all the ministries that are affected and all the agencies and boards that are affected. There are many items that the Ministry of Housing finds most valuable to bring to us. There are only a couple of other matters that I would like to bring up at this time, which the committee might not be familiar with. We were responsible—and those in the north, I'm sure, will be delighted to hear—in ensuring that a small community called Madsen was allowed to remain a viable community. We spent many hours within our committee determining how this would happen, and I, along with my deputy, with other ministers, went up and we have almost finalized the matter. I say almost, because we are dealing with the MCAI corporation to ensure that the people are left there, that they don't have to move and that they'll be able to own their homes and be able to own the land which they were occupying but didn't own. They'll have a new system which has never been approved anywhere in northern Ontario that I know of and certainly not in the south. As far as it relates to the environment, the water and

sewage system is different, it's not as stringent as it might be in other parts of Ontario. We have ensured that their community centre is left there, we have ensured that there are stores there, and we have made the company agree to all these things by sitting down in our policy field and determining first hand that the people in the north, in this community, were not going to be taken advantage of because Madsen gold mines is closing up and the MCAI corporation is taking over. I think it was a very worthwhile exercise for our particular policy field to be able to ensure, by having the input of the Ministry of Transportation and Communications, the Ministry of the Environment, the Ministry of Natural Resources, the Ministry of Housing, all of these people—the Minister of Housing in particular, that was the lead minister and ministry—put in many hours to bring this about and I feel very proud of it. I think it's something which should be on the record, Mr. Chairman.

I've got a lot of other notes here and I could go on at some length. I think so that we find out the concerns of the other two parties, I would like to have their views and then questions, if that's in order.

Mr. Johnson: Mr. Chairman, on a point of clarification, would the committee be in agreement that we divide the votes into three sections and allot, say, half an hour for each question rather than spending all the time on the first one and not having any time left for the last?

Mr. Bain: You have a main office vote and then you keep going down from there, and usually in the main office vote we end up discussing matters of policy which pretty well covers the waterfront, and with only three votes, I just don't see that we need to divide them. What do you think?

Mr. R. S. Smith: I think they can all be dealt with together.

Mr. Bain: We will try to be restrained, I'll follow the policy of the minister and make some general comments and then maybe we can have him respond and we could get into more questioning. He can either respond after I speak or after the Liberal critic speaks.

I don't know whether or not it's an indication of the relative importance of ministries but some ministries when you come in—I remember Mr. Rhodes in particular; he distributed a nice binder to everybody with all the information and everything.

Mr. Haggerty: He could afford it.

Mr. Bain: Other ministers have distributed their written texts beforehand but maybe yours is a little more innovative and perhaps could be followed by others. I would think, though, it makes it a little more difficult for the critics. I've heard it said many times in the House that the Treasurer (Mr. McKeough) is the minister of everything but I guess he'll have to give place to you. You've certainly covered the waterfront in all these matters.

My only problem is I am not totally clear on what the secretariat does in terms of getting action on things. I have found, and I am sure members who have been here longer than I have found, that there is always a lot of discussion. There is more discussion and more commissions than we need but there is a lack of action when it comes to solving problems. I feel that your ministry and the two other secretariats which are supposed to be co-ordinating ministries could serve a useful function if there were more clear-cut channels of command by which we could expect you would be able to make a decision.

Often in the House questions have been directed to you on matters and you suggest they be redirected. When I look at the list you have enumerated for us, there are a lot of questions which really can be directed to you legitimately; they cover the whole area of resource utilization and resource development.

Hon. Mr. Irvine: If they are policy, yes.

Mr. Bain: When it comes to policy, I don't feel that your ministry has an overall resource utilization or resource development strategy for this province. That's what I would like to see more than anything else.

I want to know what the government is going to do for development in this province 10 years hence. What are the goals you are leaning toward? How are you going to accomplish those goals? What do you hope to see in 10 years' time? Or are we just going to go merrily along our way as we have in the past?

You referred to development plans for northern Ontario; the last one we have is northeastern Ontario regional strategy. That isn't even as good as the one which was published in 1971. There was one done in 1966. They're getting worse instead of better. They really are. This one which we have, the last one, is so nebulous that it's next to useless. You trot out all the motherhood issues saying that there should be development and there should be growth in northern Ontario—

Hon. Mr. Irvine: Timmins doesn't mind.

Mr. Bain: —but then you hearken back—the growth in Timmins is coming because of natural forces not because of anything this government has done.

Hon. Mr. Irvine: Yes.

Mr. Bain: No. You just got in on the action but you didn't—

Hon. Mr. Irvine: Two million dollars worth.

Mr. Bain: Like so many other things in northern Ontario, whenever there is anything going on which looks reasonably good you get in there and you take the credit. You felt, this is great stuff so we might as well get our name on it!

The development in northern Ontario is taking place in the normal course of events but what's happened is the population of northeastern Ontario is declining relative to the population in the rest of Ontario, percentage wise. This has been happening for the last ten years and there is no sign that trend is going to change. Nothing you've done and nothing which you indicate you are going to do is going to change that.

[3:45]

Really, you simply say you're going to re-inforce existing development and if there is anything to be provided—and it isn't going to be very much—you're going to provide it for the major urban centres of Sudbury, Sault Ste. Marie, North Bay. But there really isn't very much you are going to provide anyway; you might give them an extra sewer line or something like that, but there isn't going to be that much there either. The other communities might as well forget it. They are not going to get much of anything. In fact, you have been transferring services from the other communities into regional headquarters in the centres that I have mentioned and—

Mr. Wildman: The communities along the north shore aren't even on the map.

Mr. Bain: —this hasn't been good for anybody. In most cases, North Bay or Timmins, or Sault Ste. Marie or Sudbury, have adequate services already. They already have access to good offices for various ministries, but what you are doing is transferring more personnel into those offices and phasing out offices, or downgrading offices, in other parts of northeastern Ontario.

I'll only give one example. For me it's the best example. There used to be a mine

recording office in Cobalt and I'm sure the minister is aware of the historical importance of Cobalt in the mining industry in this province. There used to be a mine recording office for that whole Cobalt area. It was located in Haileybury, which is only a few miles from Cobalt. But no, that had to be regionalized. After all, everything must be regionalized. So guess where the mining office is now for Cobalt?

Hon. Mr. Irvine: Same place as it was last year.

Mr. Bain: Sudbury.

Hon. Mr. Irvine: You mentioned it last year.

Mr. Bain: Nothing has happened. There hasn't been any change in that. Even you must admit that a prospector, a part-time prospector—there are very few full-time prospectors unless they work for big companies—doesn't have the time to take off and go to Sudbury to go to a mine recording office. As I say, that's the only example I'll quote, but it is indicative of the trend that your government has encouraged: regionalize everything.

As far as over-all economic strategy for development I would like you to tell me very succinctly what sort of strategy this little northeastern Ontario regional strategy hopes to implement. The only thing I can see it's going to do is simply go along with existing trends, encourage more people to move out of the north to southern Ontario and the Toronto-centred region. Not because they want to move here, but because it's the only place you are allowing development to occur and it's the only place most people can find jobs.

So what are you going to do in northern Ontario to reverse the trend of moving people to the jobs here in southern Ontario? When are you going to clearly indicate that you are going to move the jobs to the people? When is there going to be some concrete steps?

Now, I have suggested some steps in the House to the Treasurer and he says: Oh, no, any of the suggestions would trample over industry. We can't direct industry. We can't even suggest or cajole industry. We couldn't even have a development permit where a company which wanted to expand would have to apply to a central board, much the same as one would apply for a building permit.

If they were thinking of developing in Toronto and it really wasn't advantageous for

the Toronto area I say you should suggest they develop in northern Ontario, or eastern Ontario. If they really could prove it was going to be a disadvantage economically, you could provide some sort of assistance. But you'd find that really there wouldn't be that much disadvantage, because land costs are cheaper, and many other costs are cheaper in northern Ontario. So these things would be offset by any added transportation costs. But if there were real additional costs, you could provide for transportation. After all, your government is in control of that great northern Ontario railway, the railway of development, the Ontario Northland Railway, that has never fulfilled its mandate. All it does is ship resources south. You even control the transportation network. The Ontario Northland Transportation Commission now has the railway, has the boat service. It has airplanes. It has transports on the highway. So there is no problem for you to provide some assistance when it comes to transportation if that's a real problem.

So what is the strategy for development in Northern Ontario? What are your goals? What's the strategy for development in all of Ontario and what are your goals and what are the target dates and how do you hope to reach them?

I have some other areas, but I would simply like to say that one area that I think you should be concerned about is pollution. You have mentioned it several times and I would simply like to refer to one of the saddest examples—the pollution of the English and Wabigoon river system by our friends at Dryden Chemical-Reed Paper. I use "friends" euphemistically, I assure you, in case it be misinterpreted by anyone reading Hansard.

It was found in the late 1960s that mercury was leading to difficulties. As early as August, 1970, Mr. Kerr got involved and made sure that "fish for fun" signs were posted in that part of northwestern Ontario. Interestingly enough, he assured that the whole problem of mercury would be cleaned up within 12 weeks. That was in 1970. I was just wondering how we're progressing in that time table.

Mr. R. S. Smith: He sued Dow.

Mr. Bain: He sued Dow, yes, in southern Ontario. I hear that was another very big success. I realize that 12 weeks might have been a little optimistic.

Hon. Mr. Irvine: I think so.

Mr. Bain: I appreciate the minister's optimism in the matter, but we still don't have any sort of a clear indication from the government what is going to be done in the whole area of pollution across the province. We have a few hit-and-miss things that are happening occasionally where you say you'll deal with the lead problem in Toronto and we never get—

We still have problems. A lot of corner lots have contaminated soil and nothing has been done with that. The approach that you seem to take with environmental pollution is to wait for a flare-up, then step in to try to calm the waters and hope it's going to go away. As has been the case with the English and Wabigoon river systems, you really do nothing. You fan the discontent of people and nothing happens. The problem doesn't go away; it becomes more severe. What are you going to do specifically about the English-Wabigoon river system and what are you going to do about mercury contamination in general?

You mentioned science as part of your ministry's mandate. Why don't you get into some research in an area like this, in an area like mercury pollution. I know in Lake Timiskaming in my own riding there has been a problem with mercury contamination that originated from the old smelters in the Cobalt area at the turn of the century. They used phenomenal amounts of mercury. They used tons of it.

It was a very inefficient method, but they used it for enough years that the whole watershed area of Farr Creek was contaminated and it eventually put the mercury into Lake Timiskaming. What kind of research are you going to do to yield results that would allow mercury to be taken out of larger water bodies? I know some methods are used such as dumping old cars and dredging. I don't know whether dumping old cars into the water system is a cure or whether it takes people's attention off the fact that there is mercury there, but apparently that's a method that's been used. But none of the methods work on a large water body, just on a small river.

Why don't you get into some research in this area? That would be something useful, instead of having to go to Japan to find out what they're doing and not listening to them anyway when you do find out.

Hon. Mr. Irvine: I'll come to that.

Mr. Bain: Why don't you set up some research in northern Ontario into the whole area of mercury contamination and what can

be done to resolve it? That would be something that would lead the world. People would come from all over to see the projects that Ontario has embarked upon and your success stories. That could happen in 10 or 15 years time. You've got to start, and you've got to do something. What you are going to do in that area and by extension in the whole environmental field.

You mentioned the isolated communities, the unorganized communities. There is something that I am sure all of us would hail you for doing and would be something that would gain our support for your ministry's future. Would you undertake before us today to go to the government and fight to get a commitment from the government about regional governments, local area governments, extended annexations, or whatever you want to call them? I know there are new names now. They don't call them regional governments.

I was talking to people in TEIGA and I said they wanted to impose regional government on my riding. They said: "Don't use regional government. The people will get excited." I said: "Why? That's what you're thinking of doing." They replied: "Yes, but it's not a nice phrase."

They wanted to put 14 townships in with one other municipality that took up a township. To me, the idea of adding 14 townships to one is a regional government. Will you make an undertaking that you will go to the government and get the government to commit itself that there will be no regional governments imposed on any area unless there is a plebiscite held and the people agree to it—

Mr. Haggerty: That's a switch in NDP policy.

Mr. Chairman: Order, please.

Mr. Bain: For example, if you have enough areas under study that agree to have a smaller regional municipality, fine; they can go ahead on their own. But if you have parts of this proposed region that don't want to be any part of a larger unit, they should be allowed to develop at their own pace, in their own way, and to develop their own communities as they see fit.

Like so many other things, regional governments have some advantages. The province—and here's one place where I will congratulate you—the province took a lead in planning for the Metro structure for Toronto. Without a doubt, I think your government is regarded as a leader in this field; people all over North America in municipalities regard

the Metro Toronto structure as a forerunner of what should occur in most metro areas.

Where there is a contiguous urban development, you probably need municipalities that have a large regional base, but you don't need to carve Ontario up into regional municipalities. That, I fear, is still the policy of the government, despite any denials that are made by the Treasurer (Mr. McKeough) or any other of his employees.

I would simply like to refer to one last thing about regional government. In the House the other day, when the Treasurer talked about assistance for isolated communities, he talked about things that I felt were objectionable, such as that people in the outlying areas having moved there to avoid taxes and these kinds of things. Many of the outlying areas have existed just as long as the more central communities, and the people are there because they choose to be there and because they like the way of life there—not because they have some plot in mind to avoid paying their fair share. People in rural municipalities end up paying a lot more. They need to have at least one or two cars to be able to get around, whereas people in the larger communities can use public transportation.

You said you were involved in the assistance for isolated communities. But it is really not very much money. The member for Nickel Belt (Mr. Laughren) has been raising yearly in the House the problem of Gogama and the totally inadequate water system there. In fact, part of it is a poisoned water system, because of an accident that occurred on the railway a number of years ago. The money that you have available—I believe it is—

Hon. Mr. Irvine: It's \$250,000 for this year and—

Mr. Bain: And \$500,00 for next year.

Hon. Mr. Irvine: Yes, but it depends on what comes in.

Mr. Bain: Well, \$750,000 would not even provide a proper water system for Gogama. If you are going to do anything to satisfy some of the needs of the unorganized communities, you are going to have to put a lot more money into that. We have waited since 1974, I believe—I wasn't here at the time—for a replacement to Bill 102; if this is the replacement, it's really not very good. I won't tell you to take any longer, because the communities would have to wait indefinitely. The announcement in the House yesterday just wasn't good enough.

A couple of quick things: Can you assure us that the enforcement of regulations for gravel pits are going to be the same in northern Ontario as southern Ontario? I believe you have some regulations that were never proclaimed for northern Ontario. There have been a number of tragedies involving young children who have been trapped, sadly and tragically, in sliding gravel and things like that and have lost their lives. I was amazed to find out that these regulations had never been proclaimed in northern Ontario.

Mr. Haggerty: Where did the deaths occur?

Mr. Bain: A death occurred this spring in my riding.

Hon. Mr. Irvine: You may not want to put it on the record, but I would appreciate learning how it did occur if you could send that information to me.

Mr. Bain: Okay, sir.

Hon. Mr. Irvine: Unless you want to put it on the record.

Mr. Bain: No. You mentioned the Temagami land caution, and I know this is something that has been a concern to a number of members in northeastern Ontario. The problem with the land caution—

Hon. Mr. Irvine: Give me a resolution, will you?

[4:00]

Mr. R. S. Smith: On the land caution nobody is trying to do anything.

Mr. Bain: Yes, that really is the problem. I would be interested if I had any assurance that my solutions might be implemented but I don't want to be co-opted into a government I have no control over, unless we get a commitment beforehand.

The problem for the people of the area is that government has really done nothing since 1973. I know that the people have become extremely upset and are putting more and more pressure on us. I have raised it myself in the House and I believe the member for Nipissing raised it in the House. More pressure from the people of the area and their representatives has led you to do little more in the last six months than you have been willing to do before, but so far nothing of any sort of timetable has been indicated to the people.

I stressed to the Minister of Natural Resources in this same room not too long ago

during his estimates that what the people really want is to know exactly what the government is going to do. What sort of things are you going to do? Are you going to negotiate with the Indian people of the Bear Island Indian band? If you are going to go, say, with them, fine. If there are no resolutions through negotiations, what are you going to do then? Will you take it to the courts? If you do, what sort of time sequence will there be? When will you do this?

What's happened is that the people haven't heard anything and I don't believe the government has been doing anything. I would like to cite one thing for you. When I started to look into the caution I had read only what was in the general media so I wanted to find out more about it. I went for a briefing with the Minister of Natural Resources' officials last fall and they were very nice. They gave me lots of information. They told me they were not responsible for resolving it and that would be done by the Attorney General through the courts.

Fine; I figured I had it all cased out. I knew exactly what was going to happen. About a month passed and I had occasion to speak in Temagami. I hadn't had the time to contact the Attorney General's office so I thought I had better contact them and find out, just to confirm this.

The lawyer I was talking to, who was responsible for this, said, "There must be some terrible mistake. We have talked with the Ministry of Natural Resources officials but we are not going to do anything. It's clear, and they have been told, it is to be resolved through negotiations." Finally I said I had better contact the deputy minister and the official from the Attorney General's office said "Yes, and when he writes you could you send us a copy of his letter, please?"

Mr. R. S. Smith: If you got a reply.

Mr. Bain: Yes, a reply from the Deputy Minister of Natural Resources. I have a suspicion that nothing has been done at all. One ministry may have thought the other ministry was going to do it but the reciprocal was also true. Nobody was doing anything.

What is going to be done? What is going to be the time sequence? We would like to know and the people of the area would like to know and I think that is quite a reasonable request.

You raised so many issues, but I don't want to monopolize the time; I'll leave it to some other people to raise some of the others.

The ONTC; you mentioned the equipment acquisition for the new trains they are going to run. There's a little problem there. Why are you making a profit on this deal in the leasing or resale of these trains to the ONTC? What sort of commitments do you have that these trains are actually going to run properly? I have been told by ONTC people that although they have run in winter conditions they certainly haven't run in winter conditions in northeastern Ontario.

Have you ever travelled the ONR? Usually you can tell if you are—travelling on the train from Toronto, you get on the train and it's quite comfortable inside Union Station but you had better be dressed differently when you get off in North Bay because the weather is not exactly the same. As you go farther north, by the time you get to Timmins, Cochrane, Kapuskasing, the weather conditions are not exactly the same as they are in Europe.

I won't belabour the preservation of agricultural land. I would like to know what's going to be done but I'm afraid the government will do nothing.

Hon. Mr. Irvine: It would take a long conversation.

Mr. Bain: With transmission lines and just general acquisition of land, I think the government has got to make a change, not only when it comes to hydro lines but when it comes to roads. You seem to have engineers for roads, for example, who sit down and look at a map and they draw the roads. They look nice. They can't have too sharp a curve any more. Why not? Well, it's just not in the blueprints anymore. You've got to have a nice sweeping curve.

Then you got out in the field and see who's there, then you move them around. Why don't you go out in the field first and try and make the roads to accommodate the people? After all, that's the way it used to be originally. Before, the people were there first and the roads were built to help the people. Now it seems that the overriding aim is to build the roads and to build the transmission lines and the people in their way are really forgotten.

So, in summation, if you could give us some sort of commitment of an over-all development strategy for northern Ontario and for the whole province; if you could indicate clearly what's going to be done in the area of pollution and what kind of scientific research you're going to do in this area; if you could give us your commitment that no further regionalization of municipal governments

will take place without plebiscites and without the agreement of the local people, then I think you will have been able to justify the existence of your ministry.

Mr. Haggerty: I was interested in the minister's opening comments since they relate to his particular policy field. When you look at it, he has outlined about five different ministries that he co-ordinates or works along with. I suppose if one sits back and watches what takes place around this building and particularly the Legislature, one finds that perhaps the ministry is a catch-all for every other minister to shove something off on to. There's a problem? Well, shove it on to this minister and hopefully he will find a solution to it.

You've mentioned that you've discussed the many problems of the province of Ontario, but actually we haven't heard of any clear-cut solutions. You've talked about mercury and the government has talked about this and the opposition has talked about it for the past seven or eight years. I can recall the minister then, Mr. Kerr, who is presently the minister now, stating that the polluter will pay. We often sit back and wonder and say well, where is this court case today? When are we going to have a decision made? That's Dow Chemical—the suit against Dow Chemical. That's been on the agenda, I guess, for a number of years, five or six years. Surely the general public is entitled to know what is happening to this particular case. Are we going to have a decision? When?

The other matter is that I think in all your discussions you never mentioned anything about some form of employment strategy for the province of Ontario. I think all members are deeply concerned, particularly the Liberal Party, about the number of persons unemployed. The previous speaker for the NDP mentioned something about the Ontario Northland Railway and the purchase of five locomotives, I think it was, from Switzerland.

Why? If we've got high unemployment in Ontario, these trains and components could have been bought in the province of Ontario. General Electric is perhaps one of the largest manufacturers of diesel engines in Canada. There could have been jobs created here instead of going outside the country to purchase trains. You're talking about your concern, the government's concern, about employment and this is one field where you could have created jobs, but for some unknown reason you stepped outside the province, or outside Canada, to purchase equipment.

You did not mention anything about the matter of tariff policies. There's no research done in this particular field. It relates to farm commodities in Ontario and the commodities that are imported from the United States and other countries as it affects the farmers in Ontario. Perhaps this is a field you should be looking into; a study in this particular area. It certainly has an impact on the cost of farm products to the consumers in Ontario. I think it's time that we took a good close look at this. Hopefully the minister is not going to say much of it falls under the responsibility of the federal government. Maybe it does, but surely you should have some dialogue on this rather important issue concerning—well, I suppose you could say it relates to the preservation of farm lands in Ontario.

We anticipate some decision on government policy on the preservation of fruit lands in the Niagara Peninsula. This has been hanging fire. I suppose it was an election promise last year. I'm sure the minister is aware of the extended urban boundaries as recommended in the Niagara regional planning. It's a concern to many people in that area. I don't propose that there should be a freeze on all agricultural land in the province of Ontario. I think we have to be careful when we say freeze. It doesn't help in the matter of building new homes and it doesn't help in the matter of bringing in industry to Ontario. I think there's enough leeway there that we can preserve agricultural farmland, but also produce other growth areas in the province of Ontario. I think the NDP are noted for the matter that they want to put a complete freeze on all lands in the province of Ontario.

Mr. Wildman: You are misquoting.

Mr. Haggerty: If you do this, it's going to be a backward step. It's almost like their flip-flop in the matter of regional government.

Mr. Makarchuk: Mr. Haggerty is having another one of his hallucinations.

Mr. Haggerty: Not too long ago it was a policy, and it still is a policy, of the leader of the NDP to go out preaching that he's all for regional government, large government and centralized government and yet we have members now speaking in an opposite direction and saying: "Don't bring regional government into my area. You can put it into some other area, but leave my riding alone." It's a two-policy position they have, and it's time that the public should be aware of that particular position of the NDP party.

Mr. Makarchuk: It's all things to all people.

Mr. Haggerty: Talk about flip-flop.

Mr. Bain: Mr. Chairman, how is the minister going to comment on that?

Hon. Mr. Irvine: I will be commenting.

Mr. Bain: You weren't.

Hon. Mr. Irvine: I will be answering.

Mr. Bain: You will be?

Hon. Mr. Irvine: Oh, sure.

Mr. Haggerty: The matter of the Niagara Escarpment Commission seems to be rather an expensive item, particularly with this ministry. I believe it is \$1.2 million.

Mr. Johnson: Nearly \$1.5 million.

Mr. Haggerty: It's a pretty heavy expenditure and yet I notice that all the money is being spent on salaries, employee benefits, transportation and communication, services and supplies and equipment. I would like to ask the minister at this time is there any money available for the purchase of lands in this particular corridor? If not, why isn't it available? You should be going in and buying the land where the property owner wants to sell it, or to dispose of it. I think the matter of freezing the land there certainly has a detrimental effect on the property owner in area as he can't dispose of his property. In a sense he can't maybe even farm it. There should be some consideration given in this particular area in the Niagara Escarpment that, when the report is finalized in 1977 they'll have some recommendations there that will allow a person to dispose of his property. I think the government should have the first choice to purchase it. I suggest there should be money set aside for this particular purchase of land.

There are other areas I could discuss but I thought I would leave them up to the other committee members of the Liberal caucus here who may want to speak on them. There are other areas that are important. The minister has discussed the matter of environmental problems in Ontario. We're still not satisfied with the present minister's concern about the ban on bottles, and glass and things like that.

Mr. Riddell: Where did the NDP stand on that, do you remember?

Mr. Bain: Foursquare. I think we opposed that particular.

Mr. Makarchuk: Foursquare for the contents.

Mr. Haggerty: I want to make one suggestion to the minister. We know the position of the NDP. They voted against that type of legislation to put a ban on disposable waste, which particularly relates to bottles and cans.

Mr. Riddell: Right, and you must remind them of that.

Mr. Haggerty: I'm concerned about the matter where government should be stepping in. It has the jurisdiction, particularly where it relates to the Liquor Control Board. As I mentioned before, you can walk downtown in Toronto on almost any garbage pickup day and about 90 per cent of the trash or the garbage is bottles or glass. There is no doubt it comes from the matters of the Liquor Control Board. I suggest that of any place where there should be returnable bottles it is in this particular field, the Liquor Control Board of Ontario. I think this is where you can give some direction to it. These bottles can be reused, especially in a time of energy conservation.

[4:15]

I was interested in your comments about electric power planning and the committee will be reporting on that next year. I am also concerned about the increase in Hydro rates, well over 30 per cent. I am sure that a number of members have received communications from different groups, concerned citizens and industrial people concerned about the high increase. I wonder whether the minister will give some direction to Ontario Hydro to have a phase-in period—I know it was mentioned when I sat on that committee—over three years. I think the impact of 30 per cent, 25 per cent, 22 per cent is too high for the average Ontario citizen to cope with within a year. Maybe the smooth-in period should be extended for a period of five years; it could be done that way. Hopefully you will give consideration to it. That is about all I have. Perhaps the other members of the committee would like to deal with it.

Hon. Mr. Irvine: I think I would like to deal point by point with each speaker. The first question, as I got it, was what action do the secretariat and the secretary take as it relates to a particular problem.

What we do and have done—I can give you chapter and verse but rather than prolong it I will tell you this much. If a problem is brought to our committee for discussion purposes by a particular ministry and it is not

resolved at that meeting, we designate one of our policy advisers in our secretariat to follow up and to co-ordinate the activities of the various ministries.

I mentioned Madsen before. A very good point was raised there and the Ministry of Housing was the one responsible to follow through and ensure that all the matters I spoke about were carried out. Pat Taylor, who is behind us here—he is a policy adviser—was the one who made sure that action was taken. We had at least three reports at our policy field; we have another one yet to come, to be the final report.

We did make sure that the Ministry of the Environment was in Madsen, approving a water system, a sewer system—which was never approved before—because we felt it was reasonable to approve in that particular area. It was certainly one which wouldn't cause a health hazard.

We had a chat with the Ministry of Transportation and Communications to make a change in the road there at present. That will be done next year when the work can be done—it can't be done at this particular time of the year. As you mentioned, it is a little cold up there now.

This is how we endeavour to ensure that a project is carried forth by action taken by the person or persons who have been designated. When it was at Pickle Lake, Martin Walmsley, who is here, was responsible for ensuring that the Pickle Lake development went ahead. If it is land use in the Niagara Escarpment area, the Niagara urban boundaries which I am going to talk about, Frank Heaps, who is here, is responsible to ensure that the policies or our intentions are carried forth from day to day. Bill Dick is responsible for environment problems and the province as it relates to the royal commission, to ensure that we are plugged in and understand where the commission is each particular week, as it relates to their productivity and their hearings and whether or not the people perceive them as being fair.

We do have each one designated. Dave Dotchin, another member, is in industry and tourism. Dave is very much involved and has been involved in something which I will speak about, which relates to our GATT agreements; our responsibility as it relates to agriculture and food; and tariffs relating to the auto pact and so on.

I would like to get a little bit more into the textile industry which I mentioned before. I can give you very definite examples.

We assign a policy adviser to ensure that a ministry which has been designated in our

policy field comes back at a certain time. We put deadlines on it and we do finalize. We have taken action. When I read off those various parts which we have discussed, I didn't mean we just discussed them. I meant we had finalized them. We had taken action and had had material assistance from our secretariat to the ministry or ministries that were affected. Don't worry; we keep them busy. If you want to go into it further, I can tell you about—

Mr. Bain: If you want to deal with some of the specifics, maybe we could get an idea of how this works.

Hon. Mr. Irvine: Okay. Development in northeastern or northern Ontario, or development in all of Ontario, is something in which we, as a secretariat, have a part to play. We don't have the full role, of course. I think I brought up the point that the Treasury is responsible for overall planning. The regional priority budget is discussed in our policy field, and we decide what funds from Treasury will be allocated in what area. Our input is very valuable. The Ministry of Natural Resources, the Ministry of Housing and, for that matter, all the ministries I mentioned before, are affected by the regional priorities. We need to have input from T and C and Housing in order to ensure that there is development.

You say there isn't enough development in northeastern Ontario. I have to differ; there has been development and there will be more development. We have contributed funding in Sudbury and in Timmins; it may not be to your satisfaction, but we certainly have no problem in telling the people of the north that we're for development. But I have a problem in ascertaining from you—and I'm asking you this as a member of a party—how you can ask me today if we've got plans for northern Ontario, when we've had some very specific issues raised in relation to the Reed Paper development. You can't have it both ways; either you want development in the north or you don't want it.

Mr. Bain: You're not answering my questions.

Hon. Mr. Irvine: I'm saying that the northern members should get their minds made up: Do they want to have development? If they do, then let's try to assist development when we proceed with a development, whether it's in the northeast, the northwest or whatever part of the north. I think it's time we all understand that we can't have it both ways. It's great to be able to say we don't want any development in this area but we want it in another area.

Mr. Makarchuk: It's like saying you can have sex without rape.

Hon. Mr. Irvine: If you want me to, I'll come back to that part in case you have the same misconception that your leader has about the rape. I've been involved in that.

The development of northern Ontario—and I think this is what you've got to understand—will not be as fast and will not be any faster than in eastern Ontario for very specific reasons: The labour market is here and the market for the industries are in the southern part of Ontario. It's going to be a real problem to get industries to go to northern Ontario and to eastern Ontario.

When you say the population is declining, you're not telling me anything. We all know that it has declined in certain areas. What we're saying is that we're willing to put money into Thunder Bay, into Sudbury and into regional areas; we're willing to put money into areas which we think can grow, and we think North Bay and Timmins are the areas—

Mr. Bain: What you're saying is you'll complement the trend. You cited Sudbury, Timmins—

Hon. Mr. Irvine: And North Bay. You mentioned those.

Mr. Bain: But those have always been the growth centres.

Hon. Mr. Irvine: And they probably will continue to be.

Mr. Bain: But you're not changing anything. Whether you put any money into Sudbury or Timmins—I'm not specific on the money you've put into North Bay, so I won't comment on that—

Mr. R. S. Smith: None.

Mr. Bain: None? So I don't need to worry—

Hon. Mr. Irvine: The member says none, but if he's talking about a DREE agreement, that's a different thing. We've put money into North Bay just the same as we've put money into other municipalities. He knows that as well as I do.

Mr. R. S. Smith: Like every other one across the province, but no extra money; what you're talking about is extra money.

Hon. Mr. Irvine: I'm talking about the development of communities—

Mr. R. S. Smith: There's no regional disparity money in there and there's no DREE

money. You guys play political games with it right down the line, and you know you're going to lose the contract you have with the federal government.

Hon. Mr. Irvine: I would never accuse the hon. member of playing politics. I know he's not here for that purpose.

Mr. R. S. Smith: Mr. Lessard has told you to clean up your act or you're going to lose the whole shooting match. You know that.

Hon. Mr. Irvine: Mr. Lessard has not, as a matter of fact. Mr. Lessard is a little bit behind his own act. If you want me to discuss this with you, I can. I have had discussions with Lessard, and you might as well talk to that bloody wall. He has no idea as to what he's going to do for Ontario. We asked him to tell us last June and July what he would do in 1977 for Ontario and to this date we have had absolutely no conversation or no correspondence and you can check the records for this, Lessard. It's unbelievable. The co-operation we get in Ontario from the federal government is not what you would like and not what I would like.

Mr. Riddell: It's difficult for two brick walls to talk.

Hon. Mr. Irvine: I am there, though.

Mr. R. S. Smith: After what you did last year—

Hon. Mr. Irvine: About what, sir?

Mr. R. S. Smith: —with the federal moneys that were made available, and the mess you made of that, there's good reason for not talking with you.

Hon. Mr. Irvine: Can you be specific? I don't like to answer just that.

Mr. R. S. Smith: Yes. Where you put the DREE moneys.

Hon. Mr. Irvine: What's the matter with it?

Mr. R. S. Smith: You put them in the wrong places, and you know you did.

Hon. Mr. Irvine: What—

Mr. R. S. Smith: Your economic studies showed they should go someplace else and you changed that.

Hon. Mr. Irvine: Please don't mislead the members of the committee. Just tell me what is wrong with where we put the funds. Just tell me that.

Mr. R. S. Smith: The economic studies that were done indicated the DREE moneys should go into specific areas.

Hon. Mr. Irvine: What areas?

Mr. R. S. Smith: North Bay, for one.

Hon. Mr. Irvine: What others?

Mr. R. S. Smith: Sault Ste. Marie for another.

Hon. Mr. Irvine: And what others?

Mr. R. S. Smith: That's two. I said different areas. Two is areas.

Hon. Mr. Irvine: So you don't agree that money should have gone to Thunder Bay, you don't agree that money should have gone into Cornwall? Is that what you're saying?

Mr. R. S. Smith: No, I never said that. I never said that.

Hon. Mr. Irvine: Are you disputing that the federal government acted against the wishes of the people? Don't get on the record like that, my friend.

Mr. R. S. Smith: I'm saying to you that the provincial government acted against the wishes of the federal DREE people and in the face of economic studies that were presented to them. They acted opposite to what those economic studies showed.

Hon. Mr. Irvine: Let me give you a word of caution. I have had discussions with the DREE people in Thunder Bay, I've had discussions with the DREE people in Toronto, I've had discussions with the DREE people in Ottawa—

Mr. R. S. Smith: So have I.

Hon. Mr. Irvine: —and so have you. If you can get the same story from any one of them, you'll be awfully lucky.

Mr. R. S. Smith: I do. I get the same story from them all.

Hon. Mr. Irvine: You must be a confused person.

Mr. Bain: I don't know whether this is going to lead us anywhere.

Hon. Mr. Irvine: We ought to go back and answer your question. It makes sense.

Mr. R. S. Smith: Just for the sake of playing politics with him.

Hon. Mr. Irvine: What I wanted to say was that in our opinion we have, as a province, decided that there should be certain growth areas in northern Ontario and in eastern Ontario and we're prepared to fund those areas as much as possible. If we can get a DREE agreement, that's great. If we can't, we still will put money in.

In the Durham region for instance, we have said we'll assist Durham by providing X number of millions of dollars to ensure that development goes east of metropolitan Toronto.

We have said that we will develop Thunder Bay. You know, the DREE agreement in Thunder Bay is a really large sum of money. You must be familiar with it; it's around some \$40 million in Thunder Bay alone. That assists the whole area. The whole north will proceed to grow if we get certain areas to attract people into the north. Although we did assist somewhat in Matachewan, you can't tell me that if we put a lot of money into small communities it's going to make growth in the north. That is not the way it's going to grow.

Mr. Bain: Just a minute. You are really just confirming what I've said. You're really only buttressing areas where growth is already taking place.

Hon. Mr. Irvine: To assist—

Mr. Bain: You're not redirecting the overall growth of the province towards northern Ontario or towards eastern Ontario. That's my basic objection, and that's what I'm requesting.

Hon. Mr. Irvine: All right. Just let me answer your request if I can, then we'll cut it off so we can get on to something else.

In any event, the idea is this: If we can get certain areas developed, there will be spinoff effects to the other smaller communities. And that's bound to happen. There has been a lot of talk about why do we spend money in certain areas to have certain growth areas. I am a firm believer that you have to have a growth area in order to have the other areas grow. If you don't have the growth area, you won't get your labour force and you won't be able to get people into the particular communities you're talking about, the smaller communities.

I think we can do both. We can have growth areas and we can specifically help an area like the one you mentioned. You mentioned the development in Pickle Lake. That's as isolated as can be; the deputy and I were there, we know what we're talking about.

We've been in the north, we know the areas, we know the problems of developing the north. It's not going to be easy, but we are doing our best to ensure that there is enough funding through Treasury that relates to providing sewer and water or any other assistance such as the building of roads if necessary for a particular community. The Minister of Housing (Mr. Rhodes) has provided housing in certain areas.

I think we can get there but it's not going to be easy, and I'm not going to say to you or to any other member of this committee or to the House that it is going to be easy.

[4:30]

You mentioned pollution in the English-Wabigoon and I can tell you this much—the mercury pollution in the English-Wabigoon system will be there for many years to come. I can tell you this much, too—the Ministry of Natural Resources, through our policy field—no doubt, you asked him this question when he was here—has ascertained that there are hundreds of bodies of water which are contaminated just as much as the English-Wabigoon. Hundreds and hundreds and we have identified those.

You can't expect this pollution problem to be erased overnight. As far as your comment is concerned about providing funding for research related to getting rid of mercury, I'd be delighted to see if we could do that. Mr. Dillon, do you want to speak on that? You are chairman of the committee.

Mr. Dillon: As the member was bringing the point up, there were three areas I was reminded of in the research field which have been triggered largely by the English-Wabigoon situation—not entirely, but largely. First, which is directly related, is the epidemiological study which has been funded to the extent, I think, of about \$450,000—this is by Donner Foundation, which is an independent foundation—by the federal and the provincial governments.

We have finally got to the point where the Indian bands—if you understand the nature of an epidemiological study, which I don't, you have to have the people co-operate. They have to have certain groups of people; the people who are there, who are subject to the mercury have to agree to take part in the study.

It was just a week or so ago that at the final meeting at Kenora, both Indian bands involved agreed they would go ahead with the study. They had certain objections which I believe have been met. They didn't want the University of Toronto to participate in

the study for their own good reasons and it was indicated to them that other arrangements could be made.

I think that study will be under way and it will be done according to the latest known principles. It will establish, as best we can, exactly what the situation is and whether these people are, indeed, being affected and to what extent.

The second thing—people forget, I think, that just because there isn't research going on which is labelled "mercury in the English-Wabigoon" it does not mean that there is not a lot of people working on the solution to these problems. As the minister said, as we can see it now it will be a long time before the mercury level dissipates by natural forces or we come up with something whereby we can hasten that process.

However, it has been estimated by the Ministry of Colleges and Universities that about a third of the money the government puts into universities—and that is about \$650 million a year—goes directly to the support of research in the universities of Ontario. That in total is now considerable research capability which is being exercised on problems like this.

Mr. Bain: What has been done, though, since the problem of mercury became evident to escalate the amount and rapidity of research in mercury; especially from the point of view of getting it out of water bodies?

Mr. Dillon: My third point is that because of this and other concerns connected with mercury and radon and so forth, the Premier (Mr. Davis) announced that funds from the Provincial lottery are going to be directed to special research into this very area. The arrangements are now almost in place and the interest on the part of the research community in Ontario, I can tell you, is very high. Already research in types of problems like this, the projects are being planned at the moment. I have plenty of evidence of this.

Hon. Mr. Irvine: We are recommending it goes ahead.

Mr. Dillon: Up to \$50 million a year is going to go into it which is a massive infusion of money into research.

Mr. Bain: Would the minister consider recommending the establishment of a northern waterways research institute, somewhere in northern Ontario, because there's a massive number of water bodies in northern Ontario, in addition to those in southern Ontario, that have mercury pollution. You could address

yourselves to the research that's necessary to get the mercury out of the water systems and to some of the other environmental problems in these water bodies, because this is going to continue over the years. This would be something that would be quite unique and, as I said earlier, you might become a leader in this field.

Hon. Mr. Irvine: I think that we should address ourselves to the overall problem, which is all of Ontario. It will surprise some of the members of this committee, and I'm sure it will surprise the people of Ontario, to learn that it's not all in the north, by any means; there's a lot of contaminated waters in southern Ontario and eastern Ontario. Maybe it would do the northerners a lot of good to hear that there's been something set up especially for the north, but I think we're talking about something for the whole of Ontario. As the deputy has said, we are very anxious to proceed with this, and the funding will be made available. As to who will be doing what, we haven't got to that yet, but we're getting there; the deputies have many meetings. We're willing and anxious to proceed on research as far as it relates to mercury and any other problem that you might feel is an issue.

Mr. Riddell: Mr. Chairman, I would suggest that the minister answer the questions that were brought up in the leadoff speeches. This has turned into a dialogue between the minister and Mr. Bain; we're going to spend the whole time listening to them, and nobody else is going to have a chance to get in there.

Hon. Mr. Irvine: I was just going to say that I'll move on quickly; I saw your concern there. Regarding isolated communities as related to restructuring, I can give you my word, the word of the Treasurer (Mr. McKeough), and the word of the government, that restructuring, annexation, regional government or whatever you want to call it, won't be done without the people, first of all, agreeing to it. A case in point in northern Ontario is the district of Parry Sound. I was there when we started the study and told the people at that time, two years ago or more, that when they have concluded that they do or do not want to restructure, we will abide by their decision.

Mr. Bain: Would you allow a plebiscite there?

Hon. Mr. Irvine: Personally, I think the elected people should be the ones responsible for making the decision.

Mr. Bain: They weren't elected to make that decision.

Hon. Mr. Irvine: They are now. The study has been finalized; it's up to the elected people to say "we accept" or "we don't accept." That's what I call the will of the people. If you elect a person, he's supposed to represent you. That's a matter which the Treasurer will be dealing with, I expect, early in the year.

Regarding Gogama and a proper water system there, what I want the member to think about—and we have discussed this at great length with Environment—is the feasibility of having different types of water and sewage systems in certain areas. I don't really believe the expensive systems that we have in many urbanized areas need to be put into smaller communities, whether in the north or in the east. I think we have to develop another type of technology that will allow development but won't cost the people a fortune. As far as Gogama is concerned, it wouldn't make any sense to spend \$2 million there. Let's try to do something cheaper.

As for Temagami, I was in Temagami about the water and sewage problem there and I know there has been work done there. There was a lawyer appointed; a lawyer was taken from the Attorney General's ministry to assist the Ministry of Natural Resources in trying to determine where we would proceed on Indian cautions or land claims. This matter will be discussed in our policy field tomorrow; I'm not saying there'll be a decision, but the matter will be discussed in our policy field tomorrow.

The issue is a very complex one. It's one that I think we all, regardless of our party affiliation, should recognize must be handled with considerable dexterity and understanding; if we proceed in one direction, without having given forethought to what it may mean in the future, we may be in much more trouble than we are at the present time.

All I am saying to you is that M & R did recognize there was a problem. They brought it to our policy field. We have asked M & R and the Attorney General's ministry to come to us; they are coming tomorrow. They have what they think may lead to a solution. We were talking to these people who are involved and the federal government is involved, the same as the Indians and ourselves, so that matter is under control.

On the ONTC purchase of trains; all I can say to you is that those trains were working in a much colder climate than in northern Ontario and I said we have square-wheeled

trains in eastern Ontario in the winter too. I think the trains will work—they are guaranteed to work. So I think ONTC does a pretty good job up there. I would be pretty proud of it if I were you.

Mr. Bain: Oh well, I am. It is just the government interference and patronage that bothers me.

Hon. Mr. Irvine: The patronage and government interference—I don't know on that one. I can't say. I have to say, as far as I am concerned, I have no patronage knowledge, I have no government interference knowledge.

Mr. Bain: I will let the member for Nipissing go into that.

Hon. Mr. Irvine: Right, now as for—

Mr. Bain: He knows what has happened to that railway.

Hon. Mr. Irvine: —the roads being designed to accommodate the people, certainly the Ministry of Transportation and Communications go out and they talk to people and before the road is even designed. In my own area they spent months and months and months talking about how could they satisfy the needs of the people. I think it would be fair to say maybe in the Niagara area they have done the same thing.

I admit they used to proceed with a road and say, "We've built it." I think that policy has been changed. We are saying to them let's have as much discussion with the people before the road has been designated and before it is designed, wherever possible. There may be times when you have a provincial development which overrides the necessity of having, first of all, six months or two years delay to build a road and therefore they will have to proceed to designate certain land for road building, but I think T and C have done a pretty good job.

If I could go to Mr. Haggerty's questions on the mercury, Dow Chemical—there is no easy answer to that, that's a legal question. I could guarantee you that if there was a lawsuit brought against Reed Paper at Dryden, whoever brings it forth had better be prepared to spend a lot of money and be able to substantiate that Reed Paper was the one that did certain things. I have an idea that maybe Reed Paper wouldn't mind someone doing that.

Mr. Haggerty: Why don't you do it?

Hon. Mr. Irvine: I am not quite that anxious to get involved in something which I can't prove.

Now the employment strategy. The number one thing about employment is this as far as we are concerned—we haven't got productivity. We have talked about this and we have here today Martin Walmsley in charge of a committee which tries to discuss as often as possible the fact that we have gone down in productivity in Ontario as it relates to the United States. Until we get our productivity up I would suggest we will not be able to be competitive with the United States and other parts of the world. It is one of the things that we have to do in concert with providing new jobs is to ensure that we have other methods of having productivity at a much higher level than at the present time.

Mr. Haggerty: That's why I suggest that there should be a study.

Hon. Mr. Irvine: We are doing it. I mentioned to you that Martin Walmsley in my secretariat is in charge of a committee studying it, and we are very much concerned about it. Employment and productivity is one of the main issues as far as we are concerned for the future of this province.

The tariff issue; you are quite right. I am going to say it is a federal problem, but I also want to say to you that we have our input, as I mentioned before, as it related to the textile industry itself, Dominion Textile being one of the companies, Dupont being another, Celanese being another.

Dave Dotchin and myself, along with the Minister of Industry and Tourism (Mr. Bennett) went down and we visited the areas that are directly affected, at Millhaven, at Kingston, at Maitland, at Cornwall. We talked to the presidents, the managers, the union labour leaders. We went to Montreal to talk to the head office people. We went into Ottawa. We presented a very definite case on behalf of the textile people that the federal government has to enter into a bilateral agreement—a quota situation; otherwise, our people in Ontario are going to be out of jobs.

[4:45]

I don't want to sound an alarmist, but I am telling you that the situation has been grave for six months and it's getting increasingly worse. We've had layoffs in Millhaven, we've had layoffs in Dupont and we'll have layoffs in Cornwall—

Mr. Riddell: A textile plant that opened up only a year ago has just closed down in Goderich.

Hon. Mr. Irvine: That's right. I think it is fair to say we are on the right track when

we say we've got to enter into agreements such as the United States has. They have already got bilateral agreements with other countries whereby they will only allow so much in to protect your—

Mr. Haggerty: I think my comments were actually related to the farming industry, where we have dumping.

Hon. Mr. Irvine: That is also an area in which we have been active, along with the Minister of Agriculture and Food (Mr. W. Newman). You are quite right when you say the dumping problem as it relates to agriculture and food is a real one, as it is in relation to other things, too. In Ontario and Canada we must define a position with our competitors that we will not allow this to happen to the detriment of this province, and to this date we haven't got that position pinned down.

Regarding the Niagara boundaries, you know that I have been involved in that. I went down there, and I had several ministers with me. We've had discussions on it. I was interested in your comment that there shouldn't be a freeze on land. Our friends to the left have taken some issue with your word "freeze." I am interested in what they are saying, because when I was the Minister of Housing they wanted to build 100,000 homes on some kind of land, but they never determined whether the houses were going to be in the air or where. If you are going to have development, you have to build on some damned piece of land. I am interested in the NDP philosophy, too; they want to have it both ways, but they can't have it both ways. I'm waiting until they come out on this issue—

Mr. Bain: Pshaw! That's not true. You want to have it both ways.

Mr. Chairman: Order, please.

Mr. Bain: Is OHIP socialism? Are you against OHIP?

Hon. Mr. Irvine: I'm not against OHIP at all. I think OHIP can be improved, though.

Mr. R. S. Smith: It's a machiavellian scheme.

Mr. Bain: You check the speeches in the House when OHIP was first suggested by our party and you'll find that you wouldn't institute it then because you said it was socialism.

Mr. Chairman: Order.

Hon. Mr. Irvine: The chairman has called for order. I just want to say that I am very much opposed to socialist, NDP philosophies.

Mr. Bain: What is socialism? You define it. What is it? What are you against? Tell me what you are against.

Mr. R. S. Smith: He can't define what he is for, let alone what he's against.

Mr. Chairman: Order, please.

Hon. Mr. Irvine: I'm going to finish my comments before we get into that.

The Niagara Escarpment estimates do not include funds for purchasing land. You are quite right. I have the whole issue here if you want me to go through it, although I don't think you do; it's related to salaries, transportation, the district offices that they have besides the main office. The matter of purchasing of lands is dealt with through two or three ministries and comes through our policy field, too. Natural Resources has to decide what is necessary for its purpose. Government Services purchases on behalf of the government for any—

Mr. Haggerty: It must keep you busy trying to find out what other arms of the government are doing.

Hon. Mr. Irvine: That's an interesting comment. Yes, I have been busy—and I think it's a good thing that I am—and so has every one of my policy advisers. I have heard people say in the House, "You apparently don't do anything." I can tell you, I have never been so busy in my life. I am not kidding about that. It's a busy portfolio because of the very complex issues that we have in the resources development field now.

Mr. Haggerty: But who makes the final decision? That's what we are interested in.

Hon. Mr. Irvine: I'll tell you what happens. The final decision comes about this way. After our policy field has decided that policy should be implemented by a particular ministry, it goes to cabinet with our recommendation for the cabinet's decision. That is how it is decided. In the first instance, though, we examine it. We don't necessarily deal with it the day it comes before us, but we do in most cases. If it is too complex, we defer it and have it come back again. But from our policy field it goes to cabinet. Or sometimes it goes to the Policies and Priorities Board. I sit on the Policies and Priorities Board, which includes the Premier (Mr. Davis), the Treasurer (Mr. McKeough), the Chairman of Management Board (Mr. Auld), the Minister of

Culture and Recreation (Mr. Welch), and the Provincial Secretary for Justice (Mr. MacBeth).

Mr. Haggerty: We should be writing you all the letters, shouldn't we?

Hon. Mr. Irvine: My deputy wants to make sure you recognize that it's the committee of ministers that makes the decisions—not the civil servants, who are there to advise us. Our committee, the eight ministers plus the Minister without Portfolio (Mr. Henderson), makes the decision to recommend to cabinet.

Mr. Riddell: Does he make a contribution?

Hon. Mr. Irvine: Yes, he does—and a very worthwhile one.

Mr. Riddell: I'm glad to hear that.

Hon. Mr. Irvine: I don't know, do you want me to go into the Ministry of the Environment's bottles and cans deal or not?

Mr. Haggerty: No, I just brought that suggestion to you. What I wanted was some direction to the liquor Control Board that they should be looking after that.

Hon. Mr. Irvine: I think we have to have more emphasis on returnable bottles—

Mr. Haggerty: Why single out the pop industry when perhaps one of the biggest offenders is a government agency?

Hon. Mr. Irvine: I think we have to move slowly in this matter—

Mr. Haggerty: No, I don't think we have to move slowly. I can't accept that.

Hon. Mr. Irvine: It depends on your definition of "slowly." You don't want to put the people in the metal industry right out of business all of a sudden. You don't want to put the people who are in the non-returnable bottle industry out of business all of a sudden. I think you have to give the people in the industry time to adjust their particular facility to be able to comply with the regulations.

We spent months on the regulations that are before us. I have met with the metal container association, the soft drink industry, and the people in the non-returnable and returnable bottle industry, both individuals and otherwise. It's not an easy subject, I can tell you. It's one that has caused your party, their party and our party a lot of concern. Your suggestion is a good suggestion, but it's something that won't happen over night.

Hydro rates will be debated before long. I'm sure, but the thing that has to be recognized is that the select committee came back with a recommendation that was almost bang on what Energy and Ontario Hydro had said in the first instance. In this particular one of 30.3 per cent, they are smoothing, but I think we have to realize that there is a real problem in terms of the borrowing powers of Ontario Hydro. If they can't borrow the money, then they've got to raise it some way or other or else we've got to delay. There's a real danger in delaying. The fact is very clearly before us, that we have delayed Ontario Hydro's projects to the point of the detriment of the people of Ontario. I don't think we should delay much longer.

Mr. Haggerty: I can't quite go along with that comment. They are working with a working reserve of about 37 per cent, which I think is sufficient. Hydro has been geared to export to the United States, but there's a shortfall there of about \$75 million. If they had that—John says no; he knows it's so.

Hon. Mr. Irvine: There are a lot of opinions. I've listened to and read a lot of different views. I don't suppose we'll have a common ground here. I know my deputy could give you some pretty wise advice in relation to Hydro, but possibly some of the members want to ask a question or two.

Mr. Lane: Mr. Minister, I'd like to talk for a few minutes about the Eldorado nuclear refinery plant that has been proposed. Excuse my voice; I've got a bad cold. I've been involved in this on and off for several months and, as you know, I arranged with you for a meeting here in Toronto, which was attended by the mayor of Blind River, the mayor of Elliot Lake and the chairman of the improvement district of the North Shore. The member for Algoma (Mr. Wildman) and the Treasurer, I believe, also came into the meeting.

We seemed to have a pretty good consensus of what we wanted to do, and then you and the other hon. gentlemen went to Ottawa to meet with your counterparts there and with Dr. Foster, the federal member. I pretty well know what came out of that meeting, but I don't know where it is today, because that was some time ago. I know there are my people in my area who are hoping that it's going to be located at Spragge, although I suppose some people hope it will be at Burwash. The latest information, of course, seems to be that Port Granby perhaps has the edge on the other two locations. Could you tell me any more about it at this time?

Hon. Mr. Irvine: Yes, I think I can. The matter was raised in the House the other day, but we can enlarge on it as quickly as possible.

What happened after our meeting with the federal government was that we at that time said that we would participate in the cost of the study to determine whether Spragge and Burwash and Port Granby, Millhaven, were logical sites, or good sites, for the company. The federal government then consequently turned it down so they would fund the study entirely.

After some weeks of waiting I asked the ministry responsible to send me their report, because I heard he had it; and I received the report.

The report stated very clearly that as far as Eldorado was concerned, the preferential site is the Port Granby site because of two things; one, it is the lesser cost to develop, the lesser cost to operate yearly; and the other very important fact is that they have a disposal site right there.

The municipality of Newcastle has said that Eldorado can build there, or at least they can put their waste there, only if they build the plant. It is my understanding that Eldorado has purchased the necessary lands for the disposal site and the building of the new plant.

However, having said that, and having recognized that the shore area, the Spragge area, was very much in the minds of the people in that area, and you had put a very strong case forward for the north shore, I had undertaken to phone Mr. Gillespie and ask that your views be given every consideration.

As it is a Crown corporation, we, as the Ontario government, feel we can't tell a federal Crown corporation where to locate. I told Mr. Gillespie that you in particular, and his colleague, Dr. Maurice Foster, and all the people in that area, were very much in favour of the development going there. Mr. Gillespie in turn told me that it was going to go before Treasury Board for a decision, and that was three weeks ago I guess. I haven't heard anything back, so I really can only say to you that the study showed that Spragge and Burwash were out of the picture as far as economics are concerned.

As far as the federal government deciding where the plant should be located, it is entirely within their jurisdiction and within their right to tell Eldorado, a Crown corporation, that they should locate regardless of economics. Eldorado has around \$42 million as a reserve. They are not a poor company.

They are going to make a lot of money out of the product they intend to produce in this plant.

So whether they locate in Port Granby or on the north shore, in the Spragge area, is entirely up to the federal government to decide. I hope that decision comes forward in the very near future so that you, and all the people that are affected, will at least know where they are going.

Mr. Lane: Thank you for those comments. I know you worked hard on it, and I have been concerned about it.

I think the economics of it has been distorted to a great degree. They talk about shipping costs to and from the north and so forth, but already they are getting prices, in many cases on small lots rather than on tremendous amounts that would be required to run such a plant as this, that no doubt would make the shipping costs a lot less.

I really think that the time has come when, regardless of what the federal government wants to do or what a company such as this that answers to the federal government wants to do, that the cabinet, the government of this province, is going to have to say: "I'm sorry but you cannot locate on farm land in this province. You are going to have to locate on some land that is not producing agricultural land."

An hon. member: Hear, hear.

Hon. Mr. Irvine: I think that is a good point, and I am glad that the member raises it.

I would certainly say this, that the proposal we have before us now by Stelco to locate in the Haldimand-Norfolk area, would not be looked on with any favour by this government at this particular time, or if we had known about it we would not have allowed it there; but the company went on their own into Haldimand-Norfolk and purchased many thousands of acres of land, as you know. They now have delayed their plans to develop to maybe 1980, but we would suggest that that was the reason we have purchased lands in Edwardsburgh township, which are lands that are class 5, 6 and 7. We think industry should locate on lands that are not suitable for agricultural development; and I agree with that.

[5:00]

Mr. Lane: I agree, and I think if we allow these large companies to sort of blackmail us into saying where they want to be because they have—well in this case they don't

have the disposal plan unless they build a new plant there and so on—there are always going to be reasons why they stay there unless we jump on them with both feet and say, "To hell with it, you're going to build where we want you to build or you can bugger off somewhere else." A few of them may do that; but darn few, Ontario's a pretty good place to do business. They'd find a place to locate and I think we have to get tough about some of these things.

I think if we can start a trend to the north, if a few businesses go up there and start to do business they're going to find out there are not all that many bad things about being in the north.

I know a lot of people come into my riding because they have to; a bank manager gets a transfer or a minister gets a transfer from his church to another church and so forth. They think, "My God, we're going to the asshole of the world." But really, when they get there they want to stay. They're two or three years are up and they want to move them out and in most cases they don't want to go.

Hon. Mr. Irvine: That was the case in Madsen. The people in Madsen didn't want to move. They wanted to stick there.

Mr. Lane: I think if we get a little tougher on some of these larger companies, about where they can and where they can't locate, I think they're probably going to be a little more co-operative with us.

I'm unhappy if we're not going to win this one, but if we don't maybe we'll win the next one. I really think sir, that the government of this province has to say: "Sorry, but you can't locate there and these are the reasons, it's food-producing land and we just will not allow it to be covered up with concrete." I think if we say that, and say it often enough, they're going to hear it and eventually heed it.

Mr. McKessock: We've got some nice places up in Grey riding, too.

Mr. Lane: I guess probably I took all my mean tablets this morning and I'm going to be mean all the way through. On Bill 102 and the meetings we had relating to the isolated municipalities over the last couple of years, I know Bill 102 was introduced more or less to get some information from the people and to find out, really, what the problems were.

I don't think the programme announced this week is going to put air under the problems. When you think of it, really, northern

Ontario as we know it is about two-thirds of the land mass of this province and there are small communities right across that huge land mass, it's going to take a tremendous amount of money, really, to do too much for them. I appreciate it's a step in the right direction, but it's not a very great step and I have to be somewhat critical of the volume we're talking about at this time.

I know you've said if there are more sufficient applications and so forth then more money will have to flow into it, and I'm sure that if we as northern members do any kind of a selling job to our isolated communities you're going to need a heck of a lot more money than what we're talking about today.

Hon. Mr. Irvine: If I could just make a comment on that before you go on to whatever other point you have.

What I found out when I was throughout the north with Bill 102 was that the people in these small communities of 100 or 150 or 75, thought they should have a full-scale sewer and water system. Well, it doesn't make any sense in the world to have a full-scale system, and this is what I'm trying to say to the hon. member. They can't afford it, and the people of Ontario can't afford to subsidize them, so therefore, we've got to have a different type of sewer and water system.

What we should be able to provide, with this \$250,000 for the balance of this year, and what has been brought forward to us many times, is fire assistance. They want to have fire trucks. I think this is very important that we protect those communities by having the proper fire assistance available. There's no reason why they can't have a used fire truck. Everyone doesn't have to have a new one. Everyone doesn't have to have a great big community centre, they can have a scaled-down community facility. I think if we tailor our needs to be more practical it would help out an awful lot.

Mr. Bain: The people in the north have been practical.

Hon. Mr. Irvine: I'm not saying they're not practical. I'm just saying that sometimes I think we raise their expectations beyond what they really thought they should be.

Mr. Lane: Mr. Chairman, Mr. Bain had his turn. I don't mean to be overly critical. I don't think we should do things for people and not expect them to help themselves. I think every community in the north has a responsibility to help itself with its own predicament, if it wants to be a thriving com-

munity. But they do have to have sufficient help to be able to do that.

Hon. Mr. Irvine: That is our intention.

Mr. Lane: There are so many municipalities that we are going to have to find a lot more cash for that fund if we're going to do a good job there. I certainly appreciate the step in the right direction, but I just don't want us to rest on our laurels too much on that one because—

Hon. Mr. Irvine: I think you are on the record and I think you've brought it forth exactly the way we look at it, too. We have to—

An hon. member: Go step by step?

Hon. Mr. Irvine: Two hundred and fifty thousand more is needed next year. I would assume that that will be provided.

Mr. Lane: We have to start someplace and thank you for that, I appreciate it. I think the people up north will appreciate it, but it's not nearly enough.

There's the other matter and then I'm going to quit because I'll say it's not my day—

Mr. Wildman: I think it is your day.

Mr. Lane: I pretty near hesitate to raise this subject about the Reed Paper company but I know a lot of my constituents and people in other parts of the province really don't know what's going on.

The media have had many conflicting versions of the situation and I tried to straighten it out last week with a column in the local newspaper saying this is really what's happening. I think maybe I won't have any more questions from my constituents, but I'm sure that thousands of people in this province are pretty confused about the issues.

Is the minister planning to provide any real information to the people of the province and get the matter straightened out so people would understand really what is going on?

Mr. Bain: People do understand, that's the problem. It's you in the government.

Mr. Lane: They don't.

Hon. Mr. Irvine: Yes, the Minister of Natural Resources (Mr. Bernier) is going from area to area to make sure that the people do understand. Because with all due respect to you, sir, and to you, your leader has to be the most irresponsible person in this House.

If you would get off the kick of being political on every issue that comes along, and think of the people in the north—the people of the north want to be protected, the people of the north want jobs. Let's try and—

Mr. Bain: Don't tell me about the people of the north, I live there. Don't tell me Bill Davis has ever done anything for the north.

Hon. Mr. Irvine: I'll tell you something. Bill Davis has done much more for the north than you'll ever do if you live to be 1,000.

Mr. Bain: What has he done for northerners? What has he done?

Hon. Mr. Irvine: What we're talking about here is an issue of irresponsibility—

Mr. Bain: Of a corporation, yes.

Hon. Mr. Irvine: The irresponsibility of your leader. Your leader has deliberately misled the native people—

Mr. Wildman: Mr. Chairman—

Hon. Mr. Irvine: —he has misled the people of Metropolitan Toronto, he has misled the people of Ontario on the whole issue. It's time for your leader to stand up—

Mr. Wildman: You explain to us why you need a memorandum of agreement before you do any studies on the ecology and the effects on the native people and then we'll accept what you have to say. But you explain why we need a memorandum first.

Hon. Mr. Irvine: Certainly I can explain it. You know—

Mr. Lane: That's how it all started.

Hon. Mr. Irvine: You must be—

Mr. Wildman: Don't talk to us about irresponsibility when you already have—

Interjections.

Mr. Vice-Chairman: Don't fly off the handle. Just a minute. Let's cool down just a minute.

Interjections.

Mr. Bain: Answer the question.

Mr. Lane: I said I was a little afraid to raise the subject. I think maybe I shouldn't have, but really what the minister has said is true, the leader of the official opposition has distorted the picture so much that the people of this province are so darned confused I think somebody has to tell them what's going on.

Mr. Wildman: He gives them a true picture and that's why your government is in so much trouble now.

Mr. Vice-Chairman: Mr. Wildman, you're up next, you can refute any argument. Mr. Lane.

Mr. Lane: I'll quit, I'll quit while I'm ahead.

Hon. Mr. Irvine: The hon. member indicates to me that he has as much knowledge as his leader has—and that's zero—about what's happening.

Mr. R. S. Smith: I don't disagree with the minister completely but I don't think he has the right in this committee to say that another member deliberately misled. I would ask that the Chairman ask him to withdraw those remarks.

An hon. member: Nobody said that.

Hon. Mr. Irvine: I don't think it was said. Misinterpreted, I said.

Mr. Wildman: Yes, you did, you said—

Mr. Bain: Oh no—

Mr. R. S. Smith: You guys can be just as irresponsible as some of the other people you might be talking about.

Hon. Mr. Irvine: Just a minute now. If I said that the Leader of the Opposition is deliberately misleading the people, I fully believe that to be the case. If you wish to have me withdraw the remark, I withdraw it. It's on the record as to my interpretation of what the leader of the official opposition is doing. All right?

Mr. Bain: Will you withdraw it?

Hon. Mr. Irvine: I said I withdraw it.

Mr. Bain: If you really believe it, why don't you allow the Chairman to name you and get thrown out?

Hon. Mr. Irvine: I'm happy to leave any time.

Mr. Bain: You might as well get thrown out.

Hon. Mr. Irvine: We have to finish these estimates.

Mr. Wildman: I've got a couple of questions.

Mr. Vice-Chairman: We'd like to finish these estimates today.

Mr. Lane: I think I'll quit. Thank you very much.

Mr. Wildman: Mr. Lane started off very well. I just don't know what happened at the end. I don't want to prolong this because I know we're short of time, but I want to reply to a couple of things and then I want to ask about some specific areas of policy that your secretariat has within its purview.

First, the statements made regarding agricultural land by the member for Algoma-Manitoulin. I accept them completely and it's certainly the position of our party that the various types of agricultural land—class 1, class 2, class 3 and so on—should be designated. The member for Dufferin-Simcoe (Mr. McCague) has introduced that policy and we certainly would accept it. We would accept the proposition that there should not be development on class 1 and class 2 farmland, unless there is absolute need for it—it has to be proven that they can't go anywhere else—and that's a straightforward policy that's been our policy for many, many months and I think everyone knows that. In the north—and I think the member for Algoma-Manitoulin will agree with this—if that were the policy perhaps that would be one spur that might help to produce some more development in northern Ontario. As members from northern Ontario, where we have farming, unlike some of the members have stated in the House that they don't think that there are any members in our party with farmers as constituents, the—

Mr. Bain: The Minister without Portfolio (Mr. Henderson).

Mr. Wildman: —we have farming there, but we don't have particularly good land, certainly not like southwestern Ontario and certain areas of the rest of the province. We would like to see that kind of land policy because it would help in some way to perhaps spread development into northern and eastern Ontario.

With regard to Reed, I do resent the comments made. I think that there is obviously a very drastic difference of opinion on the whole Reed proposal and the proposals made for study of the proposal and its ecological and environmental impacts and the impacts on the native people, as well as the impact for jobs. Just generally I think that that's what it is—a difference of opinion. We believe something, we understand something; yours is a different understanding, apparently. I don't think that that necessarily means that one side or the other is intentionally misleading. I might be able to say that

as far as I am concerned, the Minister of Natural Resources (Mr. Bernier) has misled but I don't think he intentionally did mislead—

Mr. Bain: He didn't have that intention.

Mr. Wildman: I don't really think that—

Hon. Mr. Irvine: We don't need to have those remarks withdrawn.

Mr. Wildman: —and I'm sure he wouldn't intentionally, just as no other member of the House would intentionally mislead.

Generally, the thing that really bothers me, is that the attitude of the government seems to be—maybe I'm being unfair, but it certainly seems to me, as a northerner, to be that the only type of development you can have in northern Ontario is one that depletes resources. Certainly, we have to accept that, I suppose, in relation to mining. They're non-renewable resources and if we're going to have the development of those resources it's going to lead to depletion. But it shouldn't be the case in forestry. After all, we should be regenerating. We have the facts that have become public knowledge over the last few months of the failure of the Ministry of Natural Resources and the industry to regenerate adequately and the serious implications that this has for northern development in general.

It seems to me and to most northerners—and I suspect also to the member for Algoma-Manitoulin—that if we're going to have jobs in northern Ontario we need the development of secondary industry and as long as we remain completely dependent on the exploitation of natural resources, we extract those resources and ship them to southern Ontario or to the United States or other countries for processing, then we are also exporting jobs because there are more jobs in the processing industries than there are in the resource extraction industries.

[5:15]

So we want development, but we want planned development. We want development that means long-term jobs, not jobs that are going to lead to the depletion of resources to the extent that you're going to end up eventually without the resource, and therefore no jobs and no towns; and we have had enough of those towns in northern Ontario.

That leads me, specifically, to the north shore. I was going to mention Eldorado, but since the member for Algoma-Manitoulin brought it up, I can just point out that it's about time the government started to live by

the philosophy that if it is mined in the north it should be refined in the north. In that way you would be going a long way to saving agricultural land in southern Ontario and you would be producing jobs and development in the north.

With that in mind, I would like to know what, specifically, the government has done over the last—or what the plans they have over the next few years—to bring some kind of development to the North Shore. The thing that really bothers me, as the member for Timiskaming mentioned, is that the whole policy thrust of your government, where it does involve planning, is involved with development of growth centres like Sault Ste. Marie, Sudbury and so on. But you have a large expanse along the North Shore with people who have lived there for a long time, and except for Elliot Lake you don't have a great deal of development there, and there is an awful lot of unemployment. We have 20 per cent unemployment there, in the Blind River area.

I would like to know what you have done. NODC has put money in there, the federal government has put money in there. Shouldice did okay in Blind River. But on the latest report, Sullivan Trailers in Thessalon has just shut down, another NODC project that doesn't seem to be going anywhere; Winlock Veneer is taking an awful long time to get going, and then there is not enough of the resource there to last very long, it could last five years.

What are you going to do along the North Shore, or is the thrust of your planning that people will move either to Sudbury or to the Sault or to southern Ontario for jobs? Are we going to produce some kind of development along that stretch of this province?

It does not have really good farm land, but certainly it is close to resources in the north and on a main transportation route that you would think would make it possible to develop industry there.

Hon. Mr. Irvine: As far as the method of development is concerned, I don't think I argue at all with your reasoning that it has got to be planned and there is a need for development, but again I have to say to you that you can't force people to go into a certain area. If it is not going to be economically viable you have problems. As to the problems you mentioned about a certain company closing down, I would suggest that's probably for the winter months only, because I have got the same thing down my way.

Mr. Wildman: No, they have completely shut down largely because of the strike, the

long-term strike in the pulp and paper industry.

Hon. Mr. Irvine: I was just going to say that similar companies have closed for the winter, sales were not that brisk last year.

As far as the North Shore is concerned, I think you are well aware there have been indications at Ontario Hydro that in the Spragge area there will be a pretty large complex built in the 1980s. It could be, with this going ahead, that it will create a considerable problem for the municipality of Blind River. I know the mayor is very anxious that it goes ahead, but again we have to recognize that that's going to cause a problem in providing adequate sewage and water facilities for the necessary housing. There could be a lot of people employed, and I am hopeful that Hydro goes ahead, but it also depends on the amount of money Hydro is able to borrow and the amount of money they are going to be able to generate.

On the matter of Elliot Lake and the North Shore area, we have a policy advisory on this. Mike Walmsley, as I mentioned before, is the chairman of a task force looking into the various problems which relate to growth. I know there's another possibility for the Spragge area. I expect some discussion on it in our policy field, as a matter of fact. As to what will happen in regard to other industries following, I really don't know. I'll state it as calmly as you have; We have, without any doubt, a real difference in opinion as to the Reed situation. Since it has been very well discussed in this committee, I am sure, when Natural Resources was here, and has been discussed in the House, I don't think there's any use going into it again. But you know as well as I do that one company that went into a similar area to provide jobs, provided a real economic stimulus and it didn't meet with any quarrel from your party and I think meets with the approval of the people in the north.

Mr. Wildman: There were no native communities within that limit.

Hon. Mr. Irvine: I just say that we want to get development there. It's not going to be easy, but if Ontario Hydro can be encouraged to proceed I would be the first one in the world to say yes, let's go. As I say, the other matter, which we will be dealing with tomorrow, may result in something else happening.

Our committee is working on the Blind River-North Shore area and we will continue to work on it. That's the assurance I can give you today.

Mr. Wildman: I just want to ask one short question, Mr. Chairman.

With regard to the isolated communities fund, I subscribe to the opinions that have been expressed by the other northern members here, in that I am glad that it is something coming because I fought for a long time to try to get fire protection for a small community named Oba and none of the ministries involved in any way, including even the Ministry of Revenue that could have given them a tax exemption would help, because they said there was nobody to whom they could give help. Hopefully this will help Oba.

But I am concerned specifically about the Sault North, where you said that no administrative structure, whether it be incorporation or annexation or whatever, or some form of government, would be imposed without the wishes of the people being taken into account, and that you could relate to the elected officials and what their positions are; what about an area like Sault North, where it's completely unorganized, you don't have elected officials, except for roads boards? In Sault North you have a special situation because you have the Sault North planning board—

Hon. Mr. Irvine: It sure has. I'm glad you brought it up. I missed it in the opening remarks.

Mr. Wildman: What happens in a place like that? I think the thrust of the government is now—they haven't publicly said so but I know they are studying it, the planning board is studying it—I think the thrust is toward incorporation there. Is it going to be up to the Sault North planning board as elected officials? They are now appointed by the Minister of Housing, but originally they were elected. Are they going to make the decision or is there going to be some sort of method set up so that people living in the area can directly influence the decision one way or the other?

Hon. Mr. Irvine: I'm glad you brought that up, because I missed it when I was replying to Mr. Bain.

I was involved in the original setting up of the planning board in the Sault North area, and that is an area which again reflects the problems of unorganized areas. If there ever was an area that needed to have a planning board or some planning of facility and some elected people responsible for development, that has to be one.

In that area we went to all kinds of pains to ensure that everyone was involved. We tried to have elections, and we did have elections. The elections were disputed at the time; they said they weren't right and they weren't this and that. In any event, we tried to the best of our ability to ensure the people were aware of where the voting would take place, who would represent them. We had the board established.

I don't know what the Minister of Housing or the Treasurer (Mr. McKeough) will do as it relates to the future of that area, but what I would suggest to you is that we as a government have done everything possible. We put financing into the area, we put administration help into it; and to have the city of Sault Ste. Marie, with a situation as complex as that is, facing them year after year I don't think is good. I think it has to be resolved. I am sure it will be resolved with the input of the local people, but I found it very difficult to get a consensus from the local people north of the Sault, I want to tell you that.

Mr. Wildman: There are basically the three groups there; there are the permanent people, there are the cottagers and then there are the mobile home owners.

Hon. Mr. Irvine: That's right; and boy, oh, boy, they don't agree. The mobile home areas are very difficult areas and ones that are not something which—I will say for the record—something which in some cases should not be allowed to exist, because they haven't proper sewer and water facilities.

Mr. Wildman: Some of them developed illegally.

Hon. Mr. Irvine: Yes, and they are not developed as they should be; site development has been most inadequate. That problem is something which the city of Sault Ste. Marie wanted to assist; they were told to stay out of it. I don't know whether they are still being told to stay out of it or not.

Mr. Wildman: Now they want to stay out of it, I understand.

Hon. Mr. Irvine: Now the city people want to stay out of it too, they got fed up with it.

So an area like that I would suggest is maybe an area where there has to be action taken to ensure that we don't carry on with a situation where even the people living there are unhappy. The people there themselves are not in agreement. If they were happy, fair enough, but when even they're

not happy I think then the government has to take some responsibilities to ensure that the situation is improved. I don't know how to help though.

Mr. Wildman: Just to finish up with that. If there is to be incorporation or something, there obviously is going to have to be large startup grants and it's going to involve a lot more money than has been put in this isolated communities fund. Because the problems that you've delineated, or some of the problems that you've mentioned, are so complex that it's going to take a lot of ingenuity and a lot of money to solve them.

Hon. Mr. Irvine: I don't see this isolated community fund being something for an area like the one we're talking about. It's such a large area. You've driven over it I'm sure and I have too. It's a large area, sparsely populated.

I wish I knew the answer. I haven't got the answer today and to be very truthful it's something that's bothered me ever since I went up there trying to resolve it. If we could ever get the local people there—

Mr. Haggerty: What are your answers? What excuse have you got?

Hon. Mr. Irvine: —to assist the government with a combined effort it would be helpful. Like I say, it hasn't been one of the happiest experiences—

Mr. Wildman: I think you are on the way if you can, again, set up some kind of structure. I think the planning board is making an effort to communicate with the people. They are having meetings in different areas and—

Hon. Mr. Irvine: Oh yes, I think that's a start.

Mr. Wildman: —I think that if there is some method that can be used—you certainly aren't going to get unanimous agreement because different groups have different interests but—

Hon. Mr. Irvine: But besides having the planning board, don't you think there have to be locally elected people responsible for the actual expenditures or revenues that come into these areas?

Mr. Wildman: That's one possibility and one that's certainly being studied. As you know there is a consulting firm studying the possibility of that and it is going to make recommendations, but it's going to involve a tremendous amount of money. If you have

any kind of incorporation or development there like that, it's going to mean—

Hon. Mr. Irvine: It may mean a combination of things there. It may mean that the area immediately north of the Sault could go into the city and the other areas have some other kind of jurisdictional body, I don't know. The answers will unfold hopefully in 1977.

Mr. R. S. Smith: I have a few questions. First I'd like to touch on northeastern Ontario regional strategy. I agree with the member for Timiskaming that this is almost an insult to the people of northeastern Ontario after waiting for 11 years. That's how long they've waited for this. They waited five years for the first one and they've waited another five or six years for this one. Meanwhile northwestern Ontario has gone ahead and moved into its strategy and in fact a good part of it has been put in place.

But during the production of this regional strategy there were numerous interim strategy papers put forward to the ministry.

There was one—oh, just a few months before this—that was much more blunt and much more to the point and it never became public. I've read it, but it never became public.

An hon. member: I read it too.

Mr. R. S. Smith: It really did have some very good suggestions and some very pointed observations.

Mr. B. Newman: Was it in a brown envelope?

Mr. R. S. Smith: No, I just got it like it was, plain white paper.

Hon. Mr. Irvine: What one are you referring to?

Mr. Wildman: It was a working paper, it was never published.

Mr. R. S. Smith: It was a working paper prior to this.

[5:30]

Hon. Mr. Irvine: From TEIGA you mean? Do you?

Mr. R. S. Smith: Yes.

Hon. Mr. Irvine: I see.

Mr. R. S. Smith: It in fact was a fairly well done piece of work, but it was sent back and people were hired actually—a university

professor was hired, and he was told to re-write this thing so that we could cover the itch with some kind of ointment that would sooth people for a while and would get us over the next couple of years. So this is what we got.

I would just like to read some of this to you and point out to you just what annoys people in northeastern Ontario and why they say that people down here don't understand them. It is from page 27; it says "Trends Scenario." That is looking from the past through and then going to the future: "The scenario reveals that a continuation of present trends and programmes will provide little solution to many of the basic problems facing the region."

There is not much wrong with that. That is correct. But the fact of the matter is that this has been out now for about six months. I haven't seen one change yet, except the one you announced yesterday, which I feel is nothing but throwing water in the ocean.

You go on to the next page; turn over one page and you get another one of these statements: "Based on current trends the region's economy would show little change in its basic structure by 2001." What a defeatist attitude to put forward in what is supposed to be a regional strategy for development! I never read such garbage or trash in my life. "As in the past, resource industries would maintain their economic domination in the region and secondary manufacturing activities would grow slowly."

Mr. Wildman: Very slowly.

Mr. R. S. Smith: What is the point of going through this whole 11 years of expenditures of thousands of dollars on people over in that ministry over there who really don't know what is going on out there anyway and come up with statements like that?

Following that from page 29 until the end, page 77, the whole thing is telling us how we have to further develop our two basic resource-based industries. It says very little about secondary industries and how they can be brought into the area and how they can be induced to create in the area. It does mention that from our two basic resource industries we should carry on further work on the raw materials to the final product. It does mention that in one or two places. And that is about as new as Genghis Khan. But that is the type of document it is.

The previous document, which wasn't made public, to which I referred a few minutes ago, at least had the intestinal fortitude to designate one area as the basic growth area. This

one doesn't even do that. It was done in a northwestern document. It wasn't done in this. Four areas were designated, because it wouldn't be politically popular to pick one area, "Economics aside, who cares about that? We will play the game when we designate four areas."

Then we come to what we were talking about a while ago—the DREE grants. You have said yourself, and this document says, that in order to have growth in northeastern Ontario we have to take those four areas that we chose as the major urban centres of growth and put in infrastructure.

What did you do with the first DREE grants that went into the area for infrastructure—northeastern Ontario I am talking about? You put part of them into area service centres, and not into the major urban centres at all. You put other parts of it into one municipality, not because it needed the money to develop industry, but because basically it was in financial difficulty, created by the Treasury.

Hon. Mr. Irvine: Which one?

Mr. R. S. Smith: Sudbury. It is in very large financial difficulties created by the Treasury.

Hon. Mr. Irvine: I'll bring the minister's attention to that.

Mr. R. S. Smith: I doubt it. I live 80 miles away.

And the other one? I can't argue with the DREE grant in Timmins. You do have a fast-growing area there, and again because of the growth in natural resources—and basically the total growth is in natural resources—you do have to get some infrastructure in there. I don't argue with that DREE grant at all. I think it was the only one that was done on a sensible economic basis.

We were talking about the one for North Bay. That agreement between the federal and the provincial governments was drawn up and finalized at the civil servant level in July, 1975. Mr. Danson, who was then the federal minister, was prepared to put his signature to that agreement. The present Treasurer of this province (Mr. McKeough) said, "No, I won't sign anything until after the election." Those were his words. It wasn't signed until after the election, nor has it ever been signed, because politically it became very significant to him to put money into Sudbury and Parry Sound to try to bail out his mistakes. Down there, they can't even get together to spend the \$2 million. There hasn't been a nickel of it spent yet. They don't know how to spend

it. They don't even know what to do with it. The three municipalities that are concerned have shown almost no interest in the programme.

You talked about \$40 million going into Thunder Bay. I agree that Thunder Bay is the major urban growth centre in north-western Ontario. For anybody to say anything else would be ridiculous and foolish.

Hon. Mr. Irvine: I would think so.

Mr. R. S. Smith: But the way you've used the DREE money in Thunder Bay is almost as ridiculous and foolish. The overrun in expenditures there under DREE has been ridiculous and foolish, and your ministry has had little or no control at all. You just kept dumping money in; whether it's good or bad, just dump it in. "Get it off our backs. We made a mistake here; just keep dumping it in. Don't tell us what your plans are, because we don't want to know. Just ask us for the money." That's why you've got up to \$40 million, when you started off at much less than that. You know that as well as I do.

Hon. Mr. Irvine: We'd better have an understanding here. You're not talking about my ministry. The agreement was signed by the Treasurer. If you're talking about the government of Ontario, I'm part of it. We entered into an agreement with DREE, and we said we will fulfil our agreement as was originally contemplated as far as costs are concerned, but if the costs get higher we can share the costs. We share the costs with the federal government and with the local municipality.

Mr. R. S. Smith: No, just with the federal government.

Hon. Mr. Irvine: In Cornwall there was a DREE agreement, and the local municipality put in extra funding after the DREE funds were all finished.

Mr. R. S. Smith: But that hasn't been the case elsewhere.

Hon. Mr. Irvine: In Thunder Bay we spent more money, sure, but the costs of construction were more than we anticipated. I agree with you that Thunder Bay is the major growth centre and will be the major growth centre of the future, as far as that's concerned. I don't think the money is wasted; I wouldn't like the member to say that.

Mr. R. S. Smith: I didn't say the money was wasted. I think it was badly managed.

I think you have some responsibility there, but obviously you don't accept that.

Anyway, I've made my points about DREE and how you arrived at your decisions. You say you get a different story from all the federal DREE people you talk to. I don't find that. They all give me the same story: The province has picked its priorities improperly, without regard for the economic studies that were done and without regard for the agreements that were made between the federal and provincial governments. They used other bases.

I don't care if you don't like my mayor or my council or whoever it is. I should just point out that even though he's one of your people—I don't really have too much to say good for him either, but that's his problem—that's no reason for the people in my area to suffer on a political basis. I'm telling you that's what you've done. I don't think there's anything that's any more—

Hon. Mr. Irvine: If North Bay has a need for development, I'm sure North Bay will be considered at the proper time. We just have a certain amount of funds for northern and eastern Ontario; that has to be recognized.

Mr. R. S. Smith: That's right, and your priorities are set on the basis that is not equitable and fair, and they are not based on economic studies.

Hon. Mr. Irvine: As a local member, I would say the same thing. As a person who has to look at the overall expenditures, I would say something different.

Mr. R. S. Smith: As a person who looks at the overall expenditures, as I have a right to do as well as you—

Hon. Mr. Irvine: But you are looking more at your own particular level, as a member representing the area you're talking about.

Mr. R. S. Smith: I represent all the people in Ontario. Maybe you represent that small little area down there, but I hope my mind is a little bigger than that.

Hon. Mr. Irvine: I hope so too, but I'm sure you're thinking more about North Bay. If you are not, I'd be surprised.

Mr. R. S. Smith: North Bay is certainly of primary concern to me.

Hon. Mr. Irvine: I would think it is.

Mr. R. S. Smith: When I feel people have done us in on a political basis, I don't mind telling them.

Hon. Mr. Irvine: I don't think you have been done in that way, but that's your position.

Mr. R. S. Smith: Is that all right?

Hon. Mr. Irvine: Sure, it's all right.

Mr. R. S. Smith: Besides that, to do those things on a political basis is destructive of the democratic process, not to say immoral. We'll go on from there.

I'd like to just mention Temagami land claims. This was in my area up until the last provincial election. I had numerous meetings with the then Minister of Lands and Forests, with his deputy, with the lands branch, with the Attorney General's office—with almost anybody I could talk to who I thought might have some input. But in the four years since—it's almost four years now, I guess; maybe a little more—that land claim was put on by the band, there has been absolutely nothing done by this government.

Hon. Mr. Irvine: No, there has been a lot of work done. When you say nothing has been done, I think you mean no resolution of the problem. There has been a lot of groundwork laid, and that's the part that is not easy to explain to you or to the people there. I understand your frustration—

Mr. R. S. Smith: How do you do groundwork when you have never even met with the people on the basis of the minister going up there and saying to Chief Potts of the Indian band, "Let's sit down and talk about this"? That's what I told the minister he should do three years ago. Until he does that, he's not going to get one bit further than he is now. Chief Potts is not going to negotiate through somebody else or around somebody else. He wants to talk to the minister. That has been conveyed to the minister on more than one occasion. And there is no reason why he should talk to anybody else.

Hon. Mr. Irvine: As I interpret what you're saying, you are saying there is a liability to the Indians in that area. Are you saying there is a liability?

Mr. R. S. Smith: I'm saying there is a responsibility on the part of the minister to sit down and talk with the chief of the band. What you're saying is that he has no responsibility and that he should not even talk to him.

Hon. Mr. Irvine: No, no. I was just interpreting what you were saying.

Mr. R. S. Smith: If you're going to twist my words, I'll twist yours right back.

Hon. Mr. Irvine: I just asked you, what did you say?

Mr. Bain: I understood what he said.

Mr. R. S. Smith: Everybody else understood what I said.

Hon. Mr. Irvine: There's a big difference between discussions and negotiations.

Mr. Vice-Chairman: Less interjections, please.

Mr. R. S. Smith: I think the minister should sit down and negotiate with the chief of the band. How do you like that? Is that plain?

Hon. Mr. Irvine: I say that is the wrong terminology.

Mr. R. S. Smith: I'm not talking about terminology.

Hon. Mr. Irvine: I am.

Mr. Bain: Do you think Mr. Bernier should meet with Mr. Potts?

Mr. R. S. Smith: Once, just once, to try it out.

Hon. Mr. Irvine: If Mr. Bernier wants to meet with Mr. Potts, he will.

Mr. Bain: But you mentioned that as part of your secretariat. What do you think as the minister responsible for co-ordination?

Hon. Mr. Irvine: I told you before, and I guess you weren't listening—

Mr. Bain: Yes, I was listening very carefully.

Hon. Mr. Irvine: We will be dealing with the issue tomorrow.

Mr. Bain: And what will be your input? What will you suggest?

Hon. Mr. Irvine: I'll tell my cabinet colleagues what it will be, but I'm certainly not going to tell this committee.

Mr. Vice-Chairman: We have only about 14 minutes left, with three members to speak. Mr. Smith, since they are all colleagues of yours and from the south, do you want to give them a chance to refute some of your statements?

Mr. R. S. Smith: My own colleagues refute my statements?

Hon. Mr. Irvine: I don't think he meant that.

Mr. R. S. Smith: I doubt very much if they'll do that. But I don't know—

Mr. Riddell: I think you're doing a great job.

[5:45]

Mr. R. S. Smith: See that? I'm sorry, but I only had about 15 minutes after sitting here for two hours. I do have some very pressing things. I'll go over them quickly, very quickly. I'll get off that one because I can see there's no point in even talking to this guy.

I would like to talk about the Ontario Northland. This could take us all night, but I would just like to ask you if you agree with the chairman of the commission that the commission is no longer responsible for any type of development in northeastern Ontario. He made that statement to a select committee of this Legislature.

Hon. Mr. Irvine: I'm not aware of what statement he made. Until I read the statement I will not make a comment on it. I think it would be very unusual if I was to comment on something which you may have quite correctly read—

Mr. R. S. Smith: I didn't read it, I heard it.

Hon. Mr. Irvine: Well—

Mr. R. S. Smith: I read it also. Just to make sure it was correct.

Hon. Mr. Irvine: I will have to see the record.

Mr. R. S. Smith: But do you believe that it is the development road or not? Or is its prime purpose to break even or show a profit?

Hon. Mr. Irvine: I think you have to look at the fact that the Ontario Northland Transportation system is, as you are well aware, of three natures. They are on rail, they are in the air and they are on water. If they can in the future provide a service to the people of the north as well as they have in the past I'm happy. I think that they will do so.

There are some improvements that are going to be made. ONTC is a corporation and I guess, by what you're saying, that you don't approve some of the things we've done. Well, that's your prerogative. I'm not taking issue with that. All I'm saying to you is that from what I've seen of it, in my short time here, they've done a pretty good job and I expect they'll do a darn good job in the future.

Mr. R. S. Smith: But you don't have anything to say in regard to its primary policy.

Hon. Mr. Irvine: The policies of ONTC, the policies of Natural Resources, the policies of MTC are certainly discussed in our cabinet committee.

Mr. R. S. Smith: I thought we were talking to the policy field.

Hon. Mr. Irvine: We certainly talk about the issues in our cabinet committee from one month to the other. What I'm saying to you is that the ministers bring in the input as they see necessary for ONTC and then we make a decision. I don't make a decision on behalf of the ministers. That's the point I think you're failing to understand. What I do is try to analyse what is the best decision to have been reached after the presentation has been brought before the committee. Until that's done, I'm not going to make any comment.

Mr. R. S. Smith: As the chairman of the policy field then you have no policy.

Hon. Mr. Irvine: No, that's—

Mr. R. S. Smith: That's the only thing I can get from the circular motions—

Hon. Mr. Irvine: We have to decide what the policies are for the various ministries after the necessary input. You know, it's very silly for you to shrug your shoulders and say "You have no policy." What does that—

Mr. R. S. Smith: Well, you don't have. What can I do? I would like you—

Hon. Mr. Irvine: I can tell you what you could do, but I won't.

Mr. Riddell: Inadequacies must be getting to you though, when you start taking that kind of attitude.

Hon. Mr. Irvine: No, I'm just saying to the hon. member that I can be just as insulting as he was, Mr. Riddell. He made such an obvious misstatement it should have been as obvious to you as it was to me.

Mr. R. S. Smith: What misstatement did I make?

Hon. Mr. Irvine: Well, go ahead. Come on, let's hear what—

Mr. R. S. Smith: Be specific. Don't make accusations without being specific. The chairman should be calling you to order.

Hon. Mr. Irvine: I don't mind you carrying on as long as you want to.

Mr. Chairman: We've 10 minutes, let's finish it off.

Mr. Bain: We might move to sit longer, Mr. Chairman.

Hon. Mr. Irvine: If you move to sit longer, I'm quite happy. I'll sit longer. But not tonight.

Mr. R. S. Smith: The only other question I have is what, if any, major tourist attraction is being developed in the light of the fact that Maple Mountain has been canned, so to put it, and what other major development in northeastern Ontario can we expect?

Hon. Mr. Irvine: That's the responsibility of the Ministry of Industry and Tourism and will be brought before our committee when they have formulated a possibility for northeastern Ontario.

Mr. R. S. Smith: Okay, I'll ask one more question then. You mentioned the ONTC trains that were purchased and they obviously were purchased, in your own words, by the recommendation to cabinet of your policy committee.

Hon. Mr. Irvine: Yes.

Mr. R. S. Smith: If in fact the CNR is successful in their current application to the federal commission to discontinue service between Toronto and North Bay, which I hope they are not, what are you going to do with those trains?

Hon. Mr. Irvine: Let me say that the Minister of Transportation and Communications (Mr. Snow) has had a prior commitment for certain things to be fulfilled as far as the CN and CP are concerned, as it relates to the overall transportation system. We will worry about something when it happens, but I think what you are asking now is a hypothetical question.

Mr. R. S. Smith: What you have got is a hypothetical thing.

Hon. Mr. Irvine: It isn't really.

Mr. R. S. Smith: You are based on a decision that may or may not be made by the transportation commission.

Hon. Mr. Irvine: There's a need for some change, maybe you don't think so.

Mr. R. S. Smith: I never said that.

Hon. Mr. Irvine: We think there is need.

Mr. R. S. Smith: Yes, I think there is too, but not maybe particularly those things.

But the fact of the matter is if you had attended the federal commission hearings

last week, you would have seen that there is a great dilemma in that commission as to what's going on between the ONR and the CNR. Their decision could well be based on information that is being given to them that's not full and not being presented to them in a complete form so that they can come to a rational decision.

Hon. Mr. Irvine: I can assure you and any other members that a full input was put forward by Ontario, through the Ministry of Transportation and Communications.

Mr. Wildman: Is Transportation and Communications or is ONR going to take over the route all the way to Toronto?

Hon. Mr. Irvine: That's the question to be resolved later on.

Mr. R. S. Smith: That has not been supplied to the transport commission.

Hon. Mr. Irvine: I say that's a question that will be resolved later on.

Mr. R. S. Smith: They are the ones who make the decision. Okay, that's all I have; do what you like with the rest. I hope it doesn't take all your brain.

Mr. McKessock: Mr. Chairman and Mr. Minister, I found this interesting this afternoon; I really didn't intend to stay but I put off some other duties in order to stay and find out what your ministry does.

Hon. Mr. Irvine: Glad you stayed.

Mr. McKessock: I wasn't too familiar with what it did, but I understand that you co-ordinate between different ministries—

Hon. Mr. Irvine: Yes.

Mr. McKessock: —in the policy field, and I have been critical of the government in not having co-ordination between ministries. I will maybe point out a few of the facts here before I finish, but I am glad to see that there is some co-ordination between the ministries.

A couple of things I wanted to mention include the Niagara Escarpment Commission and Environment. One thing I did wonder was why the Niagara Escarpment Commission was put under your ministry rather than Natural Resources, is there any quick answer for that?

Hon. Mr. Irvine: Yes, there is. It's because Natural Resources would only look at their own specific wants or uses, and in my particular case, as a policy secretariat, I have to bring in the other ministries for interviews as

to what will happen with particular uses if it is brought to our attention by the Niagara Escarpment Commission.

Mr. McKessock: So this is the co-ordinating part of the ministry?

Hon. Mr. Irvine: Yes, there's Agriculture and Food, and there's T and C, and there's Environment; and so on.

Mr. McKessock: I have lived in the Niagara Escarpment area all my life, and so did my ancestors, back 100 years. I know that you are trying to preserve a unique part of Ontario, but it really, in my estimation, isn't as unique as our agricultural land. We have more rough land than we do agricultural land and yet the government is putting more emphasis on the Niagara Escarpment than in preserving agricultural land.

It's understandable that some are opposed to this and some are in favour of it. Especially those of us who live in the Escarpment area, we are opposed to it; and it is understandable that those who don't live in the area find it very easy to be in favour of it. I was sorry you didn't grant my request to allow a member from the Grey-Bruce escarpment planning committee to sit on the advisory board, because they did get together a couple of hundred members, people who live on the Escarpment, and I felt anybody who went to this trouble should have had some input into the planning.

Hon. Mr. Irvine: Have you received my letter yet?

Mr. McKessock: Yes, I have.

I certainly hope, although you have had this under your wing for only a short period of time, that you will give us people who live in the area great consideration before you come down with the final plan. We feel that this planning area, which now stretches up to 12 miles in certain places, should be cut down to 300 feet on either side of the Escarpment ridge, which would give you 600 feet.

This would put it into an area that could be purchased by the government. The way it is now it is such a big area there is no way the government could ever purchase it. If it is controlled, the development is so controlled it drops its value considerably to the landowner; in fact it's practically useless to him except that he holds it for the rest of society to look at and we certainly don't feel that is right. We think it will be there for years to come, whether there is too much planning or not, and we don't hesitate on

allowing 300 feet to be set aside to keep development off it.

Another point that shows that agricultural land isn't regarded as highly as rough land is that the Hydro corridors go directly across the agricultural land and weren't kept along the lot lines as the farmers wanted.

Subdivisions and severances, and the pits and wayside pits, they really aren't a problem in our area and yet our area seems to be pulled in with the rest of Ontario, where they are a problem.

I certainly hope these areas will be divided up so that in specific places where the regulations are a problem—the regulations either are or aren't a problem, so we pretty well have to have different regulations for different parts of the Escarpment area.

I want to mention just a bit about the Ministry of the Environment and the water and sewage projects that have been postponed. There are about six of them, I think, in my riding.

These projects have been on the go for five or six years; and five or six years ago the water resources authority told the village of Neustadt if it didn't do something about its sewage project problem they would be fined \$500 a day. The Ministry of the Environment has taken it over, and five or six years later the project hasn't been completed.

This year it was ready to go to construction, as were the other five or six in the area, and the restraint programme has come along and it is postponed for one, two or three years. Of course the villages look at this and ask how come they were going to be fined \$500 or \$600 a year five years ago and now Environment takes it over and everything is fine, it's even postponed.

I think this is a project that should have been completed; for health reasons, for development reasons, to expanding these communities, or villages and towns. If they aren't allowed to grow a certain amount they will die. As you know, we find industry folding up now in our communities and we can't afford to lose it. We certainly can't afford to not have these projects completed to let them expand a certain amount. It seems unreasonable to me that money would be directed to other projects and taken away from these sewage and water projects.

Hon. Mr. Irvine: Could I give you just two quick answers, for the record, so that you will understand?

As far as the Niagara Escarpment Commission is concerned, I am as anxious as you are to receive their plan, although it won't come

to me directly it will go to the Minister of Housing (Mr. Rhodes). I would hope that the advisory committees that are set up will give the input which you have just put on the record, as being very necessary for the plan to be a plan which reflects the actual needs of the people of Ontario and the needs of the people in the immediate areas.

I have flown over and I have driven around your area. I don't know it as well as you do, naturally, but I have been there. I know that what you speak of is quite right, there could be more development there, without any doubt. In other parts of the south, it is not the same situation. I think we have to take it as an overall area. The Niagara Escarpment will be preserved in certain areas, and in other areas we want to have some development. I think you're right on track on that one.

I look forward to the official plan. The sooner we have it, the better; then people will know where they stand. And there will be some changes. The planning area as it presently stands, I have no doubt, will be changed as far as the official plan is concerned when it comes forth.

Another one of our responsibilities was to endeavour—and we have worked for many hours on this in our policy field—to ensure that each ministry received adequate funds for that particular ministry, understanding that we have constraint problems. The Ministry of the Environment was one that caused a lot of concern to all of us in our policy field, and myself especially. We were able to get extra funding for the Ministry of the Environment after some very tough negotiations with the other ministries and policy fields, with the Treasurer and so on. I don't know where your individual project stands. All I can tell you is—that

Mr. McKessock: Several of them were ready to go to construction.

Hon. Mr. Irvine: Yes, but I don't know where it stands now—whether there was any reconsideration or not.

The Minister of the Environment has a very tough job at this particular time, because the carryover from this year to next year will be almost his entire budget, but we have added some extra funds to try to ensure that those priority areas that should go ahead do go ahead. It's regrettable that the municipalities that got promises five or six years ago are not being able to proceed with their sewage plant, water facility or whatever the case may be, but I think you will find there

are various other places that have the same problems.

Mr. McKessock: Wouldn't this be more important than, say, Culture and Recreation funds?

Hon. Mr. Irvine: I suppose you would have to decide what is a priority. I think the environment is a priority. All I can say to you is that the Culture and Recreation funds are designated for a certain purpose, and they are not designated at this time for—

Mr. McKessock: This gets back to the co-ordination. I know Culture and Recreation isn't in your policy field, but how does the co-ordination run from your policy field to the ones outside your field?

Hon. Mr. Irvine: Yes, I can tell you how that works. We get that co-ordination in the policies and priorities board, on which I sit as the Resources Development policy minister; I also mentioned that the Social Development policy minister (Mrs. Birch) is on the board, plus the Justice policy minister (Mr. MacBeth). Every week we discuss the funding and policies that are before us for the whole government; that's where the input comes from myself.

Mr. Vice-Chairman: It is now past 6. Environment is the next ministry whose estimates we will be considering, starting tomorrow. Perhaps you would like to pursue that with Environment.

Mr. B. Newman: Mr. Chairman, could I ask the minister one question? Is his ministry the co-ordinating ministry concerning jobs and opportunities, including summer employment for students?

Hon. Mr. Irvine: No.

Mr. B. Newman: Is your ministry involved with the American governments that border Ontario as far as water and air pollution are concerned?

Hon. Mr. Irvine: Yes.

Mr. B. Newman: It's the co-ordinating ministry? I'll talk to you—

Hon. Mr. Irvine: Ask the question of the Minister of the Environment (Mr. Kerr), who is the actual minister responsible for that. He's coming here next.

Mr. B. Newman: I'll ask that some other time.

Vote 1601 agreed to.

The committee adjourned at 6:05 p.m.

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SUPPLY COMMITTEE—1 *Leves*

ESTIMATES, MINISTRY OF
THE ENVIRONMENT

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, November 25, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

THURSDAY, NOVEMBER 25, 1976

The committee met at 3:35 p.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT

Mr. Acting Chairman: Ladies and gentlemen, you may wonder why I'm in the chair, but I have a note from Mr. McNeil saying that he's unable to be here and that the vice-chairman, Mr. Johnson, is speaking in the House, although he'll be with us shortly. I agreed to fill in on a temporary basis. I trust that's agreeable to you.

I'll declare that I see a quorum and ask the minister if he'd like to make a leadoff statement.

Mr. Godfrey: Mr. Chairman, on a point of order, may I make a motion that we prohibit smoking during consideration of the estimates in the interests of air pollution, which this ministry highly espouses?

Mr. Burr: I'll second that if you want a seconder, Mr. Chairman.

Hon. Mr. Kerr: Mr. Shore, don't you want to speak on the motion?

Mr. Shore: I'll third it then.

Hon. Mr. Kerr: I guess it's carried.

Mr. Gaunt: We're all non-smokers. You've got a tough group here, George.

Mr. Acting Chairman: The minister is probably going to be having a rough time, though, and the pipe consoles him. Do you think we should really put the motion?

Hon. Mr. Kerr: Can you exempt the pipe occasionally?

Mr. Burr: No, that's worse.

Mr. Acting Chairman: He'd probably get very edgy if we denied him his smoke.

Mr. Burr: We'll give him a five-minute recess once in a while.

Mr. Acting Chairman: Mr. Godfrey, do we have your permission to go ahead without putting the motion?

Mr. Godfrey: Yes, sir, as long as it's understood.

Mr. Acting Chairman: Thank you very much. Mr. Minister, would you like to make a statement?

Hon. Mr. Kerr: Yes, I have a short statement.

Mr. Chairman, and hon. members, this is a significant year in the history of environmental protection in Ontario. This year, more than any other, major changes are taking place to broaden and improve the full range of services provided by the ministry. We have a new breadth of environmental knowledge and new challenges posed by contaminants, which only recently could be properly measured and assessed; the initiation of an environmental assessment system, which brings environmental considerations into play at the very first stages of development planning in Ontario; significant advances in the reduction and reclamation of solid waste; a reaffirmed commitment to the principles of industrial abatement and pollution control, with firm direction provided to industry by the ministry; a continuing refinement of our regional structure to provide more direct and effective response to the needs of the people of Ontario, wherever they live; the enforcement and implementation of agreements and accords with our neighbouring provinces and states must be maintained to ensure that programmes involving environmental protection are being carried out and on schedule.

At the same time, Ontario is facing economic conditions which call clearly for financial constraint on the part of government and an approach to government services which will provide the taxpayer with the best value for his or her dollar.

Recognizing this, my ministry has undertaken to maintain a high level of service, and at the same time, to keep our expenditures within the objectives of the government's restraint programmes. This has been a very difficult task in the light of the heavy demand for water and sewage services.

I present to you today the 1976-77 estimates of the ministry. The aggregate for this year is just over \$240 million.

In addition, I am presenting our supplementary estimates for the year, involving \$6.3 million. Some \$1.25 million of this represents money transferred from the Ministry of Housing to advance the construction of sewage services for the regions of York and Durham. The balance is internal transfer of funds already incorporated in our estimates which I am sure we will discuss during the appropriate vote.

In the 1976-77 estimates, the government's concern for economy and efficiency is reflected in the ministry's support services for which we have a reduction in cost. One of the ministry's most significant advances in this fiscal year is the establishment of an Environmental Assessment Board and the implementation of The Environmental Assessment Act with regard to projects of the Ontario government and its agencies.

In addition to assuming the ongoing role of the Environmental Hearing Board, under The Environmental Protection Act, the assessment board has been established as the key decision-making agency to guarantee full assessment of environmental, social, and cultural aspects of development proposals and to provide for public participation in the planning process.

While the initial operations on the assessment process centre on projects in the public sector, some industrial assessments are under way on a voluntary basis and some other private sector projects have been or may be designated because of their scale and environmental significance.

Coupled with this new instrument for environmental planning, we have a sophisticated and highly effective system for environmental monitoring and the detection and assessment of contamination. Our air monitoring network takes the pulse of 90 communities in Ontario on a continuous basis, with many more centres getting periodic checkups on a special study basis. In all we have more than 1,100 air monitoring instruments in operation. Our second and most sophisticated mobile air quality laboratory went on the road this year, equipped to monitor more than 10 chemical pollutants and record solar radiation and meteorological data.

Our laboratories, expanded last year, are becoming increasingly effective and now handle more than a million analyses a year. Ontario sampling and analysis activities detected the presence of the chemical Mirex in

elevated levels in Lake Ontario fish. We announced this new concern and immediate action has been taken on both sides of the border in response to this information. In response to the challenge of exotic contaminants such as Mirex, polychlorinated biphenyls and asbestos, we have developed new programmes in monitoring, source identification and abatement. A hazardous substances programme has been developed to concentrate our resources in monitoring and abating the most significant hazards.

In addition, substantial gains have been made in controlling industrial discharges of better known contaminants, such as lead and mercury.

We have made progress in improving air quality in Ontario's population centres. Our air pollution index and alert system, monitoring and controlling excess concentrations of sulphur dioxide and suspended particulate, is now protecting seven communities in the province. So far, this year, the index has reached the alert level 11 times in these communities—nine times in Hamilton and twice in Toronto, with the highest level reached being 37 in Hamilton.

In Sudbury, where the advisory level of 32 was passed 26 times in 1971, there have been no alerts this year. The same applies to Coniston, Windsor, Niagara Falls and Welland, the other industrial centres protected by the system.

[3:45]

An even more significant factor in the improvement of air and water quality is the abatement programmes which have led to the expenditure by industry of \$1.25 billion for pollution control to date.

The pulp and paper industry's record to date in pollution control is a major area of concern and this year our staff is reviewing the control programmes of every major company to prepare new programmes which can and must be complied with.

The charges laid this year against American Can's Marathon plant are a milestone as the first instance in which legal staff of Ontario's Ministry of the Environment is prosecuting under federal legislation.

The Pollution Abatement Incentives Act, providing financial incentive for pollution control equipment installation, expired on the first of this fiscal year. At that time, a total of \$12,234,323 had been reimbursed for pollution control equipment. Outstanding applications are still being processed. This Act has been superseded by provincial meas-

ures to exempt pollution control equipment from the Ontario sales tax.

My ministry is responsible for monitoring and controlling the distribution, sale and use of pesticides in Ontario. This summer, in addition to our normal services and activities, we worked with the Ministry of Health and a large number of Ontario municipalities in a mosquito control programme to avert any possible danger of encephalitis. Our participation included an extensive training programme with the result that there are now approximately 350 exterminators qualified to perform mosquito larviciding as compared with only seven in 1975.

The major result of this programme is that there were only three reported cases of encephalitis and no deaths.

Our consultation and co-ordination in this programme has resulted in a much more controlled application of pesticides and a consequent minimization of any potential environmental hazards from excessive amounts of pesticides.

Our Great Lakes water quality programme conducted in co-operation with federal and state authorities in Canada and the US is continuing to show results as the phosphorus removal facilities installed on sewage treatment plants in Ontario are substantially reducing municipal sources of this nutrient. These facilities are installed in 183 sewage treatment plants and fully operational in 177 of these installations. To effect further improvements in nutrient loadings to the Great Lakes, we are about to announce industrial phosphorus removal guidelines.

The ministry has a traditional role in the development and operation of water and sewage treatment facilities. We operate 302 sewage and water treatment plants and related facilities in the province.

In the development area, as of April 1, we were involved in 359 projects and 77 municipal projects, all under active development, to serve 368 of 435 municipalities served by communal water and/or sewage works.

While some of these projects have since been completed, the demand for services remains high with 61 new applications for provincial projects coming in since April 1, 1976. Through funds allocated in these estimates and through some transfers outlined in our supplementary estimates, we have been able to undertake 29 new provincial projects this year, provide subsidies for the construction of five new municipally-constructed projects and increase transfer payments to municipalities for planned construction by \$2 million.

The priorities for these new projects are based on environmental health concerns with some provision made for urgent growth needs.

The ministry is active on a number of fronts in waste management issues.

We are completing a new regulation which will, in effect, provide a waybill system to keep track of liquid industrial waste from the source plant, through the hauler, to its final destination. That destination is also a source of concern with disposal wells in the Detroit River formation due to shut down by the end of this year. We have applications in hand for new disposal facilities and we are proceeding with the evaluation of these proposals.

With respect to solid waste, there are some areas where we are making substantial advances and other areas where I am dissatisfied with our progress.

This year we initiated, with the co-operation of the city of Windsor, a waste collection study, providing new containers and more mechanized collection procedures for more efficient, sanitary and economical waste collection. Preliminary indications are that this experiment will be successful. I'm sure the member for that area will confirm that.

Our derelict motor vehicle programme is another provincial-municipal project which has been highly effective. Last year, we were financing the collection and recycling of derelict vehicles in 18 municipalities. This year, 17 of those municipalities are continuing and completing their cleanup operations and 15 more municipalities have joined us in this programme.

A new container regulation went into effect this year which will guarantee the availability and wider use of refillable soft drink containers. This, along with possible similar action on non-refillable milk containers, is a part of the ministry's programme to reduce the production of solid waste.

In late 1974 my ministry announced its new programme for resource recovery, offering to construct waste reclamation plants in communities in the province and to recover only 50 per cent of the capital costs, excluding land, over a 40-year period.

This programme is proceeding and area waste studies have recommended construction of reclamation plants in a number of communities, but I am concerned by a reluctance on the part of many municipalities to take advantage of this programme. To put it bluntly, too many municipalities are content to stick with landfill, in spite of the waste of

land and the loss of material and energy resources involved.

This approach to a real municipal problem cannot continue. We have stepped up our market research and development programme in resource recovery, and I intend to stress the marketing aspects of this programme so that we can show these reluctant communities some real advantages in establishing resource recovery facilities.

We are about to sign an agreement with Canada Cement Lafarge Limited, under which refuse-derived fuel produced at the ministry's experimental plant in Metro Toronto for resource recovery, will be used as a fuel supplement in the production of cement at the company's Woodstock plant.

This experimental plant is our major reclamation research centre and a key to the successful development of the resource recovery programme, both in terms of determining the best processing approaches and providing reclaimed raw material for market development.

It will be opened in the new year as a transfer operation for Metropolitan Toronto garbage, with some paper and cardboard reclamation, and a few months later in a full operation as a major experimental centre and link in Metro's disposal system. It's really a provincial experimental centre.

I would like to invite the members of the committee to join me in a tour of the plant so that they can see what the future has in store for Ontario's 6.5 million tons of garbage produced each year. May I suggest the week of December 12? Mr. Chairman, we can check on this date a little later.

While I haven't touched on all the major issues in environment this year, I have attempted to give the committee a broad view of our major activities on the occasion of the consideration of our estimates.

Mr. Acting Chairman: Thank you for those remarks, Mr. Minister, I'm sure some of us will be able to take advantage of your invitation for the December 12 date or whatever date it happens to be.

Could we now have remarks from the critic for the official opposition, Mr. Godfrey?

Mr. Godfrey: Mr. Chairman, I appreciate the opportunity to be able to respond to this impressive document. I must say that I am struck originally by the lack of candour in the document, and I say this without any malice whatever. I am surprised. This is a brave-sounding document, but I wish we could have all of the sentences, rather than

the first half of the sentence and the last half left off.

Frankly, as an environmentalist, I'm chagrined at what is going on in the Ministry of the Environment—and it's shown very clearly in this document—because they've got good men in the ministry, and I think they have a good minister too. I'm really amazed that the minister hasn't been able to sound the tocsin about what's going on with the environment. After all, we're drowning in toxic products; we're drowning in garbage; we're drowning in government paper—and this is the type of plan we have put before us for the next year. I really am disappointed. I hate to be always carping. Every time I stand up in the House I try to put the minister on the spot; he's very adroit and usually manages to move off. I would like to work with him; I would like to be constructive but this type of a document really makes me wonder if I ever can.

Let's take a look at it. We say we have a new breadth of environmental knowledge, and new challenges posed by contaminants which only recently could be properly measured and assessed. Just look at PCBs alone. The minister hasn't got the faintest idea of what's going on with PCBs and neither has his ministry because they have not opened up a proper research programme into what's going on. They are holding on to the coat-tails of what's going on in the states and he can't tell me what's going on with PCBs right now.

The initiation of an environmental assessment system—this brings into consideration the whole of The Environmental Assessment Act and all of the shortcomings there are with that. The inability of citizens, concerned citizens—for example, the citizens at Canborough right now and their inability to mount a reasonable, cogent responsible response to the suggestion that the deep wells be used there for industrial waste; they cannot do it under our present Environmental Assessment Act because they simply cannot be funded in order to employ lawyers or others like that. They have a great deal of difficulty and a great deal of onus put upon them.

The significant advances in reduction and reclamation of solid waste in Ontario—I really must ask where? Where are the significant advances? Where is the reduction? There is no reduction. If you want to tell me you've banned a few tin cans from the road then I'll accept that as being your reduction. There is no significant reduction. There is no significant improvement in the reclamation of

solid waste. I ask, and I hope the minister will respond, that he would show me concrete examples by which he can differ this year from last year as to what has actually been done.

A reaffirmed commitment to the principles of industrial abatement and pollution control. I'm delighted. Those are beautiful words but he talks about facing economic conditions which clearly call for financial constraints. Those same economic conditions have led us to invest \$100 million in the Alberta oil sands in order to get the energy from the Alberta oil sands. If we took that \$100 million and put it into garbage reclamation alone in order to generate steam energy, we would keep the money in Ontario. We would not have to spend the money on oil and we would have made a good investment.

When he talks about financial constraints, what he is talking about really is his inability to convince cabinet of the urgency of the situation we have with regard to our environment. I was interested to see him mention the sewerage systems in York and Durham and that comes right back once again to The Environmental Assessment Act and any type of activity which was going on with that. The citizens of that area—we have already corresponded on this—did not have sufficient input as to the environmental impact of that system. He is going ahead with it without really knowing what the impact will be. A few years from now we are going to come back and say, "I wonder what really happened there, because we boobed again."

He mentions on page four that some industrial assessments are under way on a voluntary basis. I really think that is terrific. I would hope that he would name those firms, each and every one, so that they can receive suitable applause from the environmental sector. The only problem with that is the companies which go ahead and do this on a voluntary basis are usually the ones who are not the real cause of our problems. The companies which don't do it on a voluntary basis are the ones we should be leaning on. I would hope he would go after those just as effectively—maybe by leading, maybe by showing that others are volunteering to do it—but at present I do not see that happening.

He says we have a sophisticated and highly effective system for environmental monitoring. That is straight balderdash. He has not conducted a test on PCBs at his laboratories this year. In spite of the results we have coming out of the United States as

to PCBs in mothers' milk, in spite of all the other things we are getting with regard to PCBs as one of the most urgent contaminants we have, I cannot get any records of tests which have been done at his major laboratory here at—I forget the name of the street.

Now he mentions that he is concerned with Mirex and the elevated levels and he has taken immediate action. I wonder what the immediate action is with regard to the Mirex which is seeping into the Grand River, I believe it is, from a dump where 100 barrels of it apparently have been dumped in line with industrial waste. I am concerned about the Great Lakes and he and I both know that there is a great problem with the Great Lakes.

[4:00]

I am going to put a non-rhetorical question to the minister: Can he assure me there is one single fish in our Great Lakes system which is safe to eat for the normal human? I am not talking about once per week or the non-pregnant woman. I am talking about being able to sit down and enjoy a nice fish dish without realizing that you are ingesting a lot of contaminants. The simple fact of the matter is, in spite of the brave words, I think the lakes system is out of control.

I don't place this on the minister's doorstep to blame him but I think that if he realizes the urgency of the situation, he will be able to get more money. I think this is where I can join with the minister, join hands with him, to get more money than this paltry sum he is putting up in his estimates right now. It is simply not enough to take care of the problem.

You mentioned the charges laid against the American Can's Marathon plant. I am delighted to see that. I ask a direct question and I wish to have it answered: Against how many other plants have you registered an action as large? He knows and I know there are just as many problems with many other major companies up there as there are with the American Can.

He mentions the amount of money which has been spent for anti-pollution things; that is great. I wish he would complete the sentence by being candid about whether it really does cost the company that much money. I am delighted to hear they spend several million dollars on this and several million dollars on that but what does it really mean? Are they doing it simply because they get tax write-offs or accelerated depreciations or what?

On page seven, he mentions the mosquito programme which was brought in and I can't hold him entirely to blame for this—the fact that he contributed to the mosquito programme—but I do hope he will remove from his report immediately, by public acknowledgement, the second paragraph that says: "The major result of this programme is that there were only three reported cases of encephalitis and no fatalities." Really, Mr. Minister, your credibility is at an all-time low. You have no justification for making that statement whatever.

Hon. Mr. Kerr: Do you know of any more?

Mr. Godfrey: You have no justification—

Hon. Mr. Kerr: Do you know of any more?

Mr. Godfrey: —for saying "the major result of this programme is," because there was no threat of encephalitis to begin with.

Hon. Mr. Kerr: That's your opinion.

Mr. Godfrey: No, that is not my opinion.

Hon. Mr. Kerr: What about the deaths in 1975?

Mr. Godfrey: I won't interrupt you—

Hon. Mr. Kerr: What about the deaths? Well, you are making silly statements. I think it is about time I corrected you on them.

Mr. Godfrey: Mr. Chairman, on a point of order, if you are going to allow him to interrupt me, I will interrupt him for the next four days. Now let's have a ruling on it.

Mr. Acting Chairman: Mr. Godfrey has the floor.

Mr. Godfrey: Thank you. You have no basis whatever for making the statement, "The major result of this programme is," because that is an unsubstantiated statement. You are claiming as the result of your action in paragraph one, page seven, that which is reported on page 2. If I have ever heard an example of post hoc ergo poppycock, that is the classic example.

You mention that the phosphorus is being cleaned out of the lakes and I agree it is, but at what cost? Certainly the sewage system seems to be working much better but in saying the phosphorus is being cleared out of the lakes, you have not said what other things we are getting into the lakes. This is what I mean by these half-questions which come on.

You are telling me now you are going to keep track of liquid industrial waste. Now

you are going to keep track of liquid industrial waste, at this stage of the game, when we have managed possibly to pollute our aquafer in many of the areas? Now you are going to keep track? My goodness, I think you are a little bit late.

You said, with respect to solid waste, there are some areas where we are making substantial advances and other areas where you are dissatisfied. Bully for that. I ask you to put before this House the capacity at which your flag ship of the solid waste recovery unit is working at present. What is your capacity functioning of the plant in Hamilton now as opposed to what it was expected to be? Would you put that before the House?

I realize I may have upset the minister but I thought we agreed there was to be no smoking, Mr. Chairman?

Mr. Acting Chairman: We didn't put the motion by your consent, Mr. Godfrey.

Mr. Godfrey: Well, what sort of a ball game is that?

Mr. Acting Chairman: I asked you if it was all right that I didn't put the motion, that it was a frivolous motion, and you agreed.

Mr. Godfrey: I see, Mr. Chairman. Thank you very much. I thought we were dealing with it as a gentlemen's agreement. I see the gentlemen are all on this side of the table. That's all right. Go ahead and smoke if you want.

Mr. Acting Chairman: Did you not agree with me at that time that we would not put the motion? I asked you and you agreed.

Mr. Godfrey: You are quite right, Mr. Chairman, but I had the definite understanding that we wouldn't put the motion because it was understood.

Mr. Acting Chairman: Do you want to put the motion?

Mr. Godfrey: Yes, sir, if I may interrupt my discourse.

Mr. Godfrey moved that no smoking be allowed at this estimates hearing.

Motion agreed to.

Mr. Godfrey: I think—and I'm not going to embarrass him by saying it—but even the page voted against smoking. There's a smart kid.

An hon. member: He voted intelligently.

Mr. Godfrey: He voted intelligently, you're quite right.

I was talking about solid waste and the advances that have been made. I would like to hear where the substantial advances have been made in the handling of solid waste. The capacity of the SWARU plant in Hamilton has increased slightly, but is nowhere near the 600 tons with which it was trumpeted in 1974. I know you've got problems there and you know you've got problems there. Why don't we say that, rather than this namby-pamby statement that the capacity to handle solid waste has improved?

With regard to the waste collection business in Windsor, I'm sorry you've caught me off guard on that, I do not have a complete knowledge of it and I do hope you'll expand. If it's simply a matter of sorting in order to make garbage more efficient, then I sort of say "pooh pooh"; if it is a real solid waste recovery system with prime sorting such as they have in Sweden, where you cannot put out newspapers in the garbage, then I'll applaud that. I assure you I will applaud when the correct thing comes up.

I note once again with pleasure you're talking about refillable soft drink containers and things like that, but that's such a mouse to have been delivered by this mountain of a committee. After all those years they say we are going to make it optional to have returnable or non-returnable, and I think we're fudging the problem there, and I share the blame with you on that. I went along with your bill. I wouldn't deny that. But I look to you as the government for leadership in how we're going to tackle these problems. If you can't lead I know of two other people in this room who can.

You mentioned that you are going to offer to construct waste reclamation plants in the communities. You know and I know that your funding arrangements for that are simply not sound. That is why London turned it down and that is why other communities are turning it down, because over a 40-year period there is no way we are going to get the municipalities to engage themselves in that particular thing.

I'm going to sound a little heretical now, your solid waste management system is not working. It is not working, and it's had ample time to work. I strongly suggest, and may Stephen Lewis strike me dead on this spot, that you better let private enterprise into it, because I think they can do a better job.

This is a short-sighted approach. You sort of castigated the municipalities and you've said that you're going to step up the marketing aspects of your solid waste recovery programme. I doubt that. You can't even sell

steam in Hamilton—how are you going to hock the other stuff around with what you are doing?

I was interested to see that you are going to produce refuse-derived fuel, and I presume that's the same thing as we were talking about previously for "watts from waste." I'm interested that this company—I'm sorry what is the name of the cement company there?

Hon. Mr. Kerr: Lafarge.

Mr. Godfrey: Lafarge is going to do it, and I do hope that other cement companies were approached for that. I would like to know further details with regard to that. Have special concessions been made? Have special boilers been built for the pyrolysis? What are the details of that? I hadn't heard about that. I'm sorry, I was remiss in not looking that up. In particular, I'd like to point out there are several other cement companies, such as St. Mary's in my riding, which might well be interested in that sort of a programme. I appreciate very much your request to tour the plant and I assure you I would like to go along so long as you'll promise not to dump me into one of the shredders or something like that.

Hon. Mr. Kerr: I can't promise you that.

Mr. Godfrey: I'll most likely go along. It wouldn't take me, eh? Too tough for it?

Hon. Mr. Kerr: No guarantees.

Mr. Godfrey: Thank you, Mr. Chairman.

Mr. Acting Chairman: Are you through, Mr. Godfrey?

Mr. Godfrey: Yes, Mr. Chairman.

Mr. Acting Chairman: I would just remark that you're living rather recklessly when inviting private enterprise to get involved and Stephen Lewis to strike you dead, because it's a very dangerous thing to say; but you've said it, and you're still alive, so thank goodness.

Mr. Godfrey: Maybe Stephen Lewis isn't quite the person you think he is.

Mr. Acting Chairman: Thank you, Mr. Godfrey. Can we now have remarks from the critic for the Liberal Party, Mr. Gaunt?

Mr. Gaunt: Thank you very much, Mr. Chairman.

I think Mr. Godfrey has dealt with the minister's statement rather fully and suffice it to say on my part that I think the minister is over-optimistic. It's great to be optimistic, but

we have to be realistic too. Some of the advances which the minister feels have been made are not there in evidence and I think that Mr. Godfrey has certainly pointed that out. So I won't deal with that particularly.

I do welcome the opportunity to participate in the consideration of these estimates, and to lead off for my party. I consider this ministry, along with the Ministry of Energy, to be the most important ministries in this government in terms of the next 10 or 15 years.

At the moment Ontario is at the crossroads. Our industrial development and standard of living, both of which have moved up rather dramatically in the last 30 years, are both levelling out and in some instances declining. While our industrial production is up in comparison to the other Canadian provinces, our retail sales are down and there are other indications in the economy that all is not well here. And we're entering a very mixed and perhaps uncertain era.

Part of the reason certainly is external, but I suggest to you, Mr. Chairman, that part is also internal. And it's the latter with which I want to deal for a moment in general terms.

The age of the colonies in this country is over. Ontario's industrial production was based primarily on the concept that we had many raw materials in this province and those we didn't have here we could buy as cheaply as possible and sell as profitably as possible at the other end. That age is rapidly drawing to a close, because of reduced quantities of non-renewable resources here in the province and the fact that other provinces are guarding very jealously, as they should, their own non-renewable natural resource supply.

Further, other provinces, where possible, are pursuing industrial strategies which have as their prime objective conservation and utilization for the needs of their own people. In other words, a policy of self-sufficiency in many of these key areas.

Underpinning the industrial advances in this province was a cheap energy policy which has been a cornerstone of our development here for the past 30 years. That period has passed and it's about time the government recognized it, admitted it and took steps to prepare for the dawning of a new era, based on new objectives, new goals, new technology and some government thrust.

Otherwise this province is going to stagnate industrially. The job market is going to shrink. Our young people are going to move away to other areas, and Ontario will no longer be a place to stand. That alternative

is no longer that 10 or 15 years down the road unless this government wakes up very shortly. Hopefully this ministry will serve as the alarm clock for the government.

Non-renewable resources are being used up. It is now suggested that present quantities of platinum, gold, zinc and lead are insufficient to meet demands on a worldwide basis. Renewable resources—that is, trees and agricultural products—face the threat that harvesting may outstrip the rate of renewal.

There are three possible ways of alleviating this problem:

1. Reduction in the use of resources—and this certainly can be done because we in North America are the most extravagant and place the most demands on our resources of any people in the world.

2. Re-use many of the products that are already made.

3. Recycling or reprocessing of materials and waste.

[4:15]

It's on these latter two points where the Ministry of the Environment can play a significant role. In this province, we really haven't scratched the surface in terms of recycling or waste management initiatives, notwithstanding the claim the minister makes in his statement, "significant advances in the reduction and reclamation of solid waste in Ontario." I really haven't seen the evidence of that. Basically the government has stuck with the traditional approaches insofar as municipal waste is concerned, by dealing with these matters on the basis of sewage treatment plants and lagoons. I think the ministry has tended to consider that those approaches were the ultimate in treating the municipal waste. In terms of garbage, it's either burned or trucked to landfill sites. Both methods have aroused considerable opposition and public concern.

So far as the market for recycled material goes, alternatives are being sought. Toronto, for instance, must collect and dispose of almost 1.7 million tons of garbage every year. And it's growing at seven per cent annually, which means in effect that it will double every 10 years. Clearly new initiatives are needed before we all end up in a heap of garbage.

The Toronto district heating study is planned to convert heat generated by an incinerator into steam which will heat the University of Toronto downtown hospitals and the government buildings here.

The "watts from waste" project calls for flammable solid waste material collected in Etobicoke to be separated and shredded at the Horner Avenue plant and then used in combination with coal—I believe it's 10 to 20 per cent waste paper and 80 to 90 per cent coal—to generate thermal electricity at the Lakeview generating plant. Since this programme was announced, I gather that very little has happened, which certainly has to be a disappointment. I'd like to get from the minister a current report on the status of that particular project.

Hon. Mr. Kerr: Is that the Pearl Street project you're talking about?

Mr. Gaunt: No, Horner Avenue.

I'm certainly pleased, as was the former speaker, to see that the ministry has signed an agreement with the Lafarge company to use some of the resource recovery material. I presume to heat its Woodstock plant. I think that's certainly a step in the right direction.

I see the key strategy in this province as being a two-pronged one—energy conservation on the one hand, coupled with waste management and recycling techniques on the other. Not very startling, not very politically sexy, but there it is. In my view, it's essential if we're going to maintain our position in this country as a highly industrialized province and one which will continue to produce its share of the gross national produce.

Waste management has to take into account land management, air pollution and water pollution. Collection represents 60 to 80 per cent of the total cost of waste management. A city's cost of household refuse collection lies between \$17 and \$35 per ton and constitutes 60 to 80 per cent of the total cost.

What has been happening in most cases, is that the collection is made and then taken to a landfill or dump site for final disposition. It is estimated that 94 per cent of all land disposal methods are unsatisfactory in terms of health, efficiency or protection of natural resources.

In view of this, reclamation is an appealing method. In recycling paper alone, substantial savings of natural resources can be achieved. Recycling 11 million tons of paper can save up to 200 million trees. The recycling technology is already here. A recycling system in Rome, for instance, recovers usable paper pulp, scrap metal and animal food pellets from municipal waste. A plant in Germany ferments garbage to produce pure compost to recultivate run-down soil and produce a special food for

young pigs. An Ohio plant removes metal and glass, turns paper into roofing material and burns the rest as energy.

A Swiss process where micro-organisms turn garbage into raw compost in 24 hours, is used around the world. I believe there's someone in this province experimenting with that very process. I believe he happens to live in the riding of the Minister of Agriculture and Food. I think he came to this government asking for some financial support in order to perfect the process and to develop it beyond its current stage.

There are plants in St. Louis, Geneva, Paris and Munich which burn garbage for energy. I'm given to understand that Rome has one of the world's most modern garbage disposal systems. There are four modern plants which are capable of handling over 2,000 tons of garbage a day. Three of the plants use a three-stage process of recycling, compost production and incineration. The trash arrives at the plant and is separated into five groups. Paper refuse will become paper pulp, edible material will become sterilized animal feed, fine organic material is turned into compost, ferrous materials are baled and the residue is burned.

The incinerators heat steam generators and the energy is used to dry and pellet animal feed and homogenize the city's paper refuse. The success of any waste management and recycling system requires maximizing public concern through the involvement and participation of citizens; gaining the commitment of major industrial producers to recycle—and I don't think we've done that here in this province and we have to—providing tax benefits so that recycling becomes relatively profitable; and gaining and maintaining a market for recycled products. There again I don't think there's been enough initiative on the part of the government in developing and finding markets for recycled products.

I believe the ministry has made a commitment to municipalities on the basis that the government will fund any solid waste recovery and engineering costs incurred by the municipalities to the extent of 50 per cent. That's helpful but certainly more is needed, particularly in terms of leadership.

There are basically two ways garbage can be turned into something useful. One is the method that I've just been talking about. The technology is there. It's just a case of having the will to make it work. The minister mentioned that in some of these areas he's encouraged and in others he's disappointed. In the solid waste disposal programme that the minister announced on October 24,

1974 he indicated plans were afoot to build six primary waste treatment plants at a cost of \$17 million to serve Kingston and Sudbury, London and Metropolitan Toronto, Peel and Halton.

It was thought that these six plants would be built over 15 years and would process up to 90 per cent of the province's garbage and reduce the need for landfill sites by about 80 per cent. I think that's another one of the minister's over-optimistic plans. I just don't think that it's going to happen. The evidence so far indicates it's not going to happen. The province's aim to recycle 90 per cent of solid wastes by 1989 is completely unrealistic. They'll be lucky if they get 40 per cent.

If one reviews the plants mentioned, the study for the Sudbury plant was completed in the spring of 1975. They don't want to get into the venture because of the municipal debt they're experiencing and they want the province to share a larger portion of the cost than their 50 per cent. Basically, that one's at a standstill, as I understand it, until some arrangements can be worked out with respect to their requests and what they can do in terms of financing.

As for London, according to statements out of that city, they're thinking about bailing out of the garbage recycling system altogether. They don't want any of it. They can't find markets for the recycled material and they think the capital costs are just too high.

In Halton, the fate of the plant there is entirely dependent and turns entirely on the fact as to whether the municipality can find markets for the recycled products. In Peel, I think they're no further than having the report being considered by their council. I think they were even looking at private industry proposals — I think even Reed Paper was one of those private industry proposals. They haven't decided what to do yet.

In Kingston, they've committed themselves to a private industry proposal. I think the proposal by Tricil Limited calls for the establishment of a transfer plant and the use of a landfill site. That one seems to be under way but they're going to use a landfill site in connection with its operation.

In Belleville-Trenton, this one is at the hiatus stage, too, I gather. They're taking another look at it because of Kingston's refusal and their report has not yet been completed.

In Metro Toronto, there again they pulled out of the agreement, with the province, I

understand. I think they were supposed to pay a third of the cost of the experimental reclamation plant in North York and they pulled out because there's no guaranteed markets for the saved material. I think in 1975 Metro found a buyer for only about a fifth of one per cent of its garbage so we have a long way to go in that respect. I'm hopeful that some new initiatives can be undertaken by the minister in this connection.

I mentioned two methods. The other method is a relatively new process but here again the technology is available and it has rather exciting possibilities. One of the keys to our energy needs is to utilize the things that we have available in this province. In turn, that will enhance our industrial development and reduce our offshore requirements for energy which undoubtedly will continue to increase in price. Energy, as it has been throughout, is one of the keys to success in terms of industrial expansion, job creation and employment opportunities. As external energy costs continue to rise, it is important that these be replaced by cheaper energy sources internally.

One of the most economical means is to use the energy potential of garbage and this can be done in several ways. One of the ways which has gained prominence this past several years is the fact that garbage can now be used to produce methanol. This is not a new concept because the Germans were running their cars, I believe, on this product prior to the Second World War. The outbreak of the war and the fact that oil was so cheap at that particular time and until 1972, has meant that everyone forgot about the potential of this technology. Cars can burn this product with very little adjustment to the carburetor and manifold system. It has potential uses on the farm and in agricultural production as a fuel source for tractors and machinery.

Industries can utilize their own garbage and waste to produce this product, methanol, which, in turn, can supply some of their energy needs. Interestingly enough, industries in Germany produce 29 per cent of their own energy which, of course, in this province would have dramatic implications in terms of Ontario Hydro and its need for power.

The oil companies would resist any attempt to replace gasoline or diesel fuel with this product, for obvious reasons. However, I say to the minister that he's not the protector of the oil companies; he's the protector of the public interest. I am saying that this

province should be initiating efforts and making concerted attempts to develop and refine this technology, not only as a method by which we can cope with much of our garbage but as a method to meet some of our energy needs.

This, coupled with the fact that our growth rate of energy can be reduced to a level below that which prevailed in the post-World War Two period without having substantial negative effects on economic growth, suggests this kind of approach does have some exciting possibilities.

[4:30]

A moment ago I mentioned industrial waste, as did the minister and the critic for the NDP. Industrial waste can be recycled like any other kind of waste, and we do have the technology to do it. At times there is a question of economics, but basically there are three ingredients necessary for recycling industrial waste: high volume, consistency and a market for the end product.

In this province there is a dire need for a political strategy for industrial waste. There is no positive inducement for companies to handle safely their industrial waste at the moment. I understand that there is something like 20 million gallons of industrial waste going into landfill sites and wells every year in the province. This need not happen if the province would give some leadership in this area and indicate to industry what the objectives are and why the government considers this an important matter.

The fact that the government issues provisional waste management licences to truckers is an indication that the province has not come to grips with this whole question. In many cases, the only interest truckers have in handling this material is to make a profit and to maximize that profit in the best way possible. Hence, one comes across these stories from time to time about truckers who dump indiscriminately in landfill sites and small streams. There was even one story where an industrial waste trucker sought the co-operation of a policeman who stopped traffic both ways while he dumped the entire load down a sewer. That has to stop.

The minister indicated in his statement that the ministry was considering a system of way-billing to keep track of liquid industrial waste from the source plant. I think that is a good idea, but I have to observe it is unfortunate that it has taken so long to do that. There was no way in which the ministry could monitor how those products were being handled; they

were simply taken by the truckers and the truckers did with them what they could.

The fact of the matter is that there was no positive inducement for companies to handle safely their industrial waste. Surely it would be very simple for the government to set up a system whereby an invoice would show how much industrial waste was picked up and how much was delivered to a treatment plant, which would then mean that the government would have some control on the proper disposal of this waste. Apparently we are going to get to that point, and I say it can't be too soon.

In my view, if the minister would come up with some definite policy statements and parameters in regard the handling of industrial waste, then I think that private industry would have a framework within which to plan. I am sure private industry would respond with the planning, with the capital and with the development, if there is a consistent government policy and if industry really knows where the government stands in this regard, which it doesn't at the moment.

The government's obligation is to outline in firm and unmistakable terms what its objectives are in this regard and then private enterprise will respond accordingly. As it is now, private enterprise doesn't know where the government stands and, until it finds out, industrial wastes are being handled in a very short-sighted fashion.

Companies like Tricil are not going to commit large amounts of money to full-scale surface treatment facilities, when the plant they have now is running at about 40 per cent capacity. It is running at that capacity because there is no incentive or inducement for industry to send its waste to the plant or to any other similar plant operating in the province. Why is industry going to pay 10 cents a gallon to get rid of their industrial waste when they can sell it to a licensed trucker to draw it away for five cents or less, even though the product does end up in the river down the sewer?

The present minister was Minister of the Environment back in 1971 when Tricil went into this kind of operation. The province purchased 50 acres of land in Mississauga and then leased it to Tricil for the express purpose of treating their industrial liquid waste. Essentially no progress has been made since that time. I suggest the minister had better do something very soon or he is going to lose all of the initiatives that were undertaken by Tricil and other companies to handle industrial waste.

At the moment, with no encouragement on the part of industry, this kind of operation is just not economical. What it requires, and I repeat again, is initiative and leadership on the part of the government to encourage and indeed require industries to send their industrial liquid wastes to plants like this for treatment. Quebec does it. Other Canadian provinces do it. I find it passing strange that Ontario can't seem to find the will to do it, or hasn't up until now.

Let me summarize briefly this portion of my remarks. Waste management and recycling must come, both for garbage and industrial waste. The question is not will it come but when will it come? I suggest the sooner it comes the better.

A few facts the minister might keep in mind in this respect are that it costs \$50 million to haul and dispose of Toronto's garbage each year. North Americans throw away enough paper each year to print every major newspaper in North America. If we converted that scrap paper into electrical power, we could supply North America with the energy equivalent of more than two-thirds of that provided by the annual Mid-East oil imports.

For every ton of steel produced from recycled municipal solid waste, the following things happen: Enough electricity is saved to provide eight months' power supply for the average North American home; 200 pounds of air pollutants are not released into the atmosphere; about 6,700 gallons of fresh water are not used; the water that is used and returned to sewers and streams contains 102 fewer pounds of water pollutants. Engineers state that the following products can be produced from recycled material: cellulose fibres, ferrous and non-ferrous metals, glass, synthetic liquid and gas fuel, soil conditioning compost, yeast, animal food pellets and mineral wool.

At the moment recycling programmes lack adequate market support. I suggest a two-part programme to the minister. One, everything should be done to encourage a reduction in the amount of waste generated, and I think we can do that. Two, there should be a recycling programme under the aegis of the provincial government whereby a provincial recycling marketing board system is set up which would co-ordinate the supply of reclaimed materials and seek customers. It would aim to accelerate the building programme of reclamation and recycling plants. The Environment Ministry has calculated that these plants would save \$1.75

per ton in disposable costs or more than \$11 million every year for the 90 per cent of Ontario's garbage that would be affected.

Let me now turn to the matter of PCB's. It was dealt with previously, but I just wanted to make some comments about it because I agree that this is a very toxic material and one that certainly is generating a lot of concern. It is a form of pollution that we don't know a lot about and yet its general distribution seems to be very widespread. PCBs are a combination of chlorine, hydrogen and carbon and do not break down naturally in the environment, not even through incineration, unless you get up to temperatures beyond 1,600 degrees.

PCBs are also bio-accumulative, meaning that they increase in concentration as they move up nature's food chain; hence that increases their danger. PCBs are in the chlorinated hydrocarbon family, like DDT and DDE, and can withstand temperatures, as I mentioned, up to 1,600 degrees Fahrenheit.

I understand that at the present time PCBs are used industrially only in the electrical industry. Their superior cooling and insulating qualities are ideal for insulating fluids in industrial capacitors and distribution transformers. Aside from their industrial use, it is suspected that when sewage sludge is chlorinated PCBs are produced in varying quantities which has accounted, I am sure, for the apparent wide distribution. PCBs are unable to be naturally broken down in the environment so therefore they live on and on.

In 1972, PCBs had been found in every major river system in the United States. They have been shown in milk in Indiana, as was mentioned previously, near an area where sludge containing PCBs was produced by a sewage treatment plant. The sludge was spread on the land and, since PCBs are indestructible, they entered the plants which are then eaten by the cows and enter the milk.

In the summer of 1971, PCBs got into fish meal which was fed to chickens in 10 southeastern states. The eggs of these chickens were contaminated. Since 1968, I understand there have been 24 incidents in 28 states in which livestock or poultry suffered chemical contamination. This was reported in Science Magazine in April, 1976. The presence of PCBs has been found all over the world particularly in heavily industrialized areas. Fish, birds, waterways and humans have all been found to contain them.

As far as humans are concerned, the food chain is the most frightening source of PCB poisoning. PCBs enter the environment; they

are ingested by fish; humans eat the fish or the fish are made into animal feed and we eat the animal tissue. The effects on humans are certainly unknown. Present evidence, however, indicates that short-term, low-level exposure is unlikely to cause injury but long-term exposure poses a real and dangerous threat.

Lab animal studies have shown that small doses over a long period of time yield extreme illness or death, birth defects and liver cancer. PCBs in the diet of chickens reduced the egg production and the hatchability; it also resulted in very thin eggshells. Rat reproduction was altered. Minks were severely affected—many died—and very low levels of PCBs severely affected reproduction.

PCBs in the ocean suggest that they may decimate some species of algae which then disrupts the entire food chain. Liver cancer and reproductive failures are the major findings in animal experiments. Toxic effects were found at low levels of PCBs, such as loss of hair, skin lesions, severe stomach aches, abortions and sickly offspring.

I don't know whether one can put the loss of hair evidenced by Mr. Godfrey and the minister and even me down to PCB contamination but perhaps that is a possibility.

This is the most important evidence, in view of the tolerant levels of PCBs set by the Food and Drug Administration in the US and the Department of National Health and Welfare here in our own country. Although the research is not complete it's pretty obvious that we are dealing with a highly toxic and potentially dangerous form of pollution.

In 1972, a United States federal government task force urged that PCBs should be restricted to essential or non-replaceable uses which involve minimum direct human exposure.

In 1970, the Ontario Ministry of the Environment set up a task force on PCBs to review PCB sources and recommend control measures. There was extensive monitoring; inspections were made and control facilities were improved to eliminate discharges. In May, 1975, the Lake Michigan toxic substances committee of the Environmental Protection Agency urged a near-total ban on PCBs after it observed there was no observable decline in residues in Lake Michigan from 1971 to 1975. By late 1975 the Great Lakes commission had recommended that PCBs be banned and replaced by substitutes as soon as possible and a disposable programme be developed.

[4:45]

On July 23, 1976, the Environmental Protection Agency in the United States set standards which would virtually cease discharges of PCBs from manufacturing facilities. In 1972, Japan banned PCB production entirely. In 1973, the United States' Food and Drug Administration set maximum levels of PCBs to be tolerated in foods. They allowed five parts per million in edible portions of fish. The Wall Street Journal of October 10, 1975, reported studies had shown that exposure to less than those amounts over a period of time caused sickness and birth deformities.

In late 1975, the Department of National Health and Welfare of Canada set the acceptable level of PCBs in fish at two parts per million. A winter edition of the Great Lakes Focus 1976 reported fish in the Great Lakes and in northeastern United States rivers had PCB levels in excess of five parts per million. Eels from the St. Lawrence River had been tested and had an average of 17.14 part per million.

The Canadian Environmental Control newsletter of December 16, 1975, said Canada was going to require disclosure of all importations and uses of PCBs. The same newsletter stated George Kerr, Ontario's Minister of the Environment, had put industry on notice to start looking for alternatives to replace PCBs. At the same time, the ministry warned fishermen along the Credit River not to eat the fish because of dangerously high levels of PCBs.

Legislation concerning PCBs or any toxic chemicals has been scarce. However, in early 1976 Environment Canada announced a very important breakthrough in the fight against PCBs—a research scientist at the Canada Centre for Inland Waters in Burlington, I believe, has developed a new strain of bacteria and a special technique to allow them to destroy the non-biodegradable PCBs.

I gather a large-scale operation, relatively inexpensive, is going to be ready for industrial applications in about a year. This discovery is of great value, certainly for the treatment of this very toxic and dangerous material.

My question to the ministry in this respect is are you going to require industry to dispose of PCBs in this manner? Hopefully, you are. I have run through this scenario for an obvious purpose, to indicate, to underline and underscore what many already know, the fact that this is a very dangerous and toxic material and its full implications on humans and other forms of life on this planet are not fully realized. I think we have to treat it

with great respect and to do everything possible to prevent its spillage into the environment in any way.

I say that I hope the minister is going to require industry to dispose of its PCBs in the manner suggested by this new technology. At least, we've made a breakthrough in that area and surely to goodness we can take advantage of it.

Ralph Nader, the well-known consumer advocate in the United States, stated a while back that in his calculated estimates fully 80 per cent of cancers are environmentally caused. It would appear from all the evidence in the case of PCBs that it is definitely one of these cancer-producing agents. It seems to me we have reached the point where there is a need for toxic substance legislation. I would agree that perhaps it can best be done at the federal level but in the absence of any federal action, I would suggest we can take some action here in the province.

Many situations exist in Ontario today which may endanger human health and there is increasing evidence that more dangerous situations may be developing, such as radiation in the mines of Elliot Lake and the town of Port Hope, asbestos in Peterborough, mercury pollution in the English-Wabigoon river system. A majority of these are all caused by pesticides or other chemicals produced by industries and allowed to enter the air, land and water. The ministry's job is to protect the environment. I suggest the ministry has been less than successful in that charge.

Conservation and the quality of life undoubtedly remain important concerns in Ontario today. It is interesting to note that while the concerns for pollution and the awareness of ecological matters preceded the energy crisis, the concern for the environment now seems to be little more than a fad, compared to the prospect of not having oil in one's furnace or gas in one's car. What is often not realized is the link between these two crises. If one is solved, then the other can be solved as well. The efficient use of energy would cut pollution and measures taken to reduce pollution would have the effect of conserving energy.

I believe it was Aristotle who observed, "That which is common to the greatest number has the least care bestowed upon it." In the past, we have failed to take good care of the things that belong to all of us together, air, water, land, communities and so on. Unless we start taking care of these things that belong to nobody in particular and everybody

in general, we're going to find ourselves seriously imperilled.

Hon. Mr. Kerr: Mr. Chairman, as the hon. members know, many of the items that have been covered in their remarks will be dealt with in a specific vote, and at that time we can go into these matters in detail.

The hon. member for Durham West in his opening remarks talked about PCBs, and so did the hon. member for Huron-Bruce. We have a good idea what is going on in spite of his remarks. We are continuously monitoring and, above all, working with other jurisdictions, including the federal government and the US government. This is a sort of joint programme, involving CCIW, the federal facility in Burlington, federal laboratories, and our own laboratory on Highway 401. We are continuously working together, exchanging information, comparing those areas that are being monitored and at the same time advising people in those areas where they are fishing, for example, of the latest levels of PCB readings. We have a study programme going on at the present time, where we are collecting and analyzing approximately 1,200 water sediment and miscellaneous biological samples and from 4,300 to 4,800 fish samples from the Great Lakes and inland waters of the province.

We are, therefore, concentrating extensively on the problem of this insidious polluter. There's no question that we know what it is and from whence it comes. I might deal with both of the opposition critics on this particular subject and with some of their remarks. As the hon. member for Huron-Bruce mentioned, we are controlling it by banning the use in open systems. For example, PCBs were used in paints and certain lacquers, dyes and inks and things like that. We have prohibited that use. They're only used in the closed system for hydro transformers, precipitators and things of that nature.

We have a control on the disposal of those particular materials. There is a disposal site in the Mississauga area, for example, where Hydro disposes of spent transformers; then they are hauled to a site in northern New York and destructed there. We have a good idea of the extent of the use of PCBs in certain products and we have a handle on it. The problem, of course, as the hon. members know, is past use and the extent of the damage from that past use.

Since these estimates were presented a year or so ago, there have been two very important pieces of legislation passed—one by the federal government, The Environmental Con-

taminants Act, and the other by the US government, The Toxic Substances Act—dealing with compounds such as PCBs and Mirex, where the legislation will require that before a compound of that kind can be allowed on the market for distribution and sale, it has to be approved. It is like The Food and Drugs Act in some respects. A compound containing PCBs or Mirex, for example, has to be approved by the federal government before that product is put on the market, before it is imported or exported.

That legislation, coupled with the indication in a statement I made, to which the hon. member for Huron-Bruce referred—that we will prohibit the use of any products containing PCBs—certainly indicates some concern by the government.

I have indicated to Hydro, for example, that by 1978 they should have found an adequate substitute for the products they are using now which contain PCBs. Hydro have indicated to me that they can comply with that requirement. Although PCBs are very valuable, in that they prolong the life of these products—and, of course, that is why they are so dangerous to the environment—they feel that they can find a substitute which is not as environmentally harmful, although the substitute may cost more in the long run. That is not our concern, which is the effect of these compounds on the environment.

The whole question of PCBs in sewage sludge is again the subject of a great deal of study. As I say, the longevity or the persistence of this compound, even after treatment, is a problem. At the present time, at the University of Guelph, I believe, there is a study going on where we are testing methods of separating sludge that may be contaminated by PCBs. That came about as a result of some criticism from a professor at that university, and we are working together on it. Officials of my ministry will deal with that more extensively really when we get to that point in the estimates.

I don't want to leave the impression that we're not really concerned with these toxic compounds. They are our greatest concern right now, because of their elusive, insidious nature; we are always reacting after the fact. We are not responsible for them; it's the great chemical community, industrial scientists who have produced these things in order to make the products more marketable. Now they are coming home to haunt us.

[5:00]

I think the two pieces of legislation will hopefully eliminate this problem so that we don't have new initials facing us every two

or three months. Captain Cousteau said last night that we shouldn't bother worrying about PCBs because there's a thousand more still to come. I hope that what he said wasn't necessarily true.

Mr. Godfrey raised the whole point about reduction in waste, garbage and reclamation. The member for Huron-Bruce also did that. We have a number of programmes which are either extensions of last year's or are new. The hon. member for Huron-Bruce mentioned some of them. They involve reclamation; they involve recycling; they involve something different from sanitary landfill.

You mentioned the plant in Sudbury and the London plant. You indicated that London didn't seem to be interested any more. We're not aware of that. We're under the impression that after the municipal elections we will be in a position to review the MacLaren report and enter into an agreement with that community.

The Metro plant in Scarborough for resource recovery—the Peel plant will be presented to that region at any time now this year and hopefully an agreement will be entered into for that.

You mentioned Halton. There is a proposal there that the regional council is considering at this time. It's either a front-end plant or a plant with RDF, I think it is, which is refuse-derived fuel.

Mr. Gaunt: What's a front-end plant?

Hon. Mr. Kerr: A front-end plant—I can call on Ken Sharpe to give you more detail—has some separation; it has some recycling and separation of materials such as tin, glass and paper. There's some shredding involved although there isn't the more sophisticated type of process such as sludge removal and separating the wet and dry solid waste. Do you want to add to that? Are you the expert, Ken?

Mr. Reed: Might I ask if, at the same time, the gentleman could compare that with what you mean by the refuse-derived fuel aspect?

Hon. Mr. Kerr: That's burning waste, basically.

Mr. Reed: By incineration; okay.

Hon. Mr. Kerr: I think we will leave that, if you don't mind, until we get to that vote rather than getting into detail. Referring to my statement or my remarks in the opening statement, we have reduced waste in our opinion not only by a programme of eliminat-

ing throw-aways but also by funding projects and by encouraging municipalities to get into resource recovery in a number of plants I've mentioned.

You mentioned the Lafarge experiment in Woodstock. Our experimental plant will start next year and that means we have another year under our belt. I might say to the hon. member that our staff have visited a number of the plants the hon. member mentioned in Europe. We've looked at that process and my ministry officials will say to you, sometime between now and December 2, that what we're building in Downsview will be the best in the world and the most complete in the world. Hopefully, from that laboratory more plants will be created around the province in more municipalities.

To wind up that point on which the hon. member has touched, as long as it is cheaper to dispose of solid waste by way of landfill, municipalities will do it that way. As long as they can acquire 100 or 200 acres out in the country, relatively cheaply, the operating costs naturally of that type of disposal is much less than operating a resource recovery plant or even an incinerator. I agree with what you said. We probably have to sweeten the pot a little bit. We have to have more incentive to get municipalities to use more modern methods of waste disposal.

We thought, with good reason, that the programme with the idea that we would pay the full capital costs and then collect back half over a 40-year period, was basically a good and attractive arrangement. It may still be, if we get to a situation where there are not sufficient sanitary landfill sites around. Maybe they will look at that. But again it's the operating cost. It's the difference between \$4 a ton and \$10 or \$12 a ton. As the hon. members know, municipalities put garbage disposal somewhere down that totem pole. The roads come first, then the libraries and the arenas. Garbage is down at the bottom.

The hon. member for Durham West mentioned we should get private enterprise involved.

Mr. Reed: That's incredible.

Mr. Shore: He's in trouble.

Hon. Mr. Kerr: Private enterprise is involved. Private enterprise does most of the collecting of solid waste in this province. OK?

Mr. Godfrey: For recycling not for resource recovery.

Hon. Mr. Kerr: If you're talking about private enterprise involved in resource recovery it will be a private firm that will operate our experimental plant in Downsview. We have tendered that out and I'll be signing the agreement tomorrow morning with the particular successful firm, which will be operating that experimental plant. We are involving private enterprise wherever possible.

The hon. member for Huron-Bruce mentioned Tricil and the disposal of industrial waste. There's no question that we're having problems establishing sites and facilities to dispose of industrial liquid waste, but you must remember that it seems that every time we suggest to private enterprise a particular method of disposal, whether it's deep well or even a plant, there are people in that area who oppose that idea.

Right now, for example, I am getting a great number of complaints about odour from the Tricil plant in Mississauga. The Tricil plant does not handle all types of industrial liquid waste. Because of the size and type of plant, it can only handle certain types of industrial liquid waste. The furnaces or the temperature capability at that plant does not allow it to handle all wastes.

Sometimes it attempts to go beyond what it can do and then it stinks like hell, and I get complaints from the neighbourhood. We're having problems. Basically the problem is that we create plants to handle pollution and sometimes the plants themselves are a source of pollution. There's the type of problem we're having. There is citizen objection to deep-well disposal, which, officials of my ministry feel is safe.

We have problems of landfill—for example, the Beare Road site, which allows industry to dispose of its waste in a site of that kind much more cheaply than going to a plant, such as Tricil in Mississauga or Interflow, another type of plant in the Hamilton area. We are working with industry. We are indicating to industry the course we want to see it take. We are encouraging it to get into industrial liquid waste disposal. We have brought in regulations, as you have referred to, whereby we want to know where the waste is being picked up, where it's being hauled, and what is the ultimate disposal of that waste.

I agree with the hon. member for Huron-Bruce's remarks that some of these plants are not at full capacity. As long as industrial liquid waste can be disposed of on land, that will be more attractive than hauling to a plant. The cost is more to have it destructured in a plant. As the industrial liquid waste land sites are closed down—for example, Beare

Road's life, I think, is very short right now—we will not be opening new ones, so they will have to use the plant method, or they will have to use the well disposal method, assuming that it is acceptable and safe. I don't know if we should get into the business of financing private operations of this kind.

We encouraged—no question—the Tricil plant and it has been very helpful. We are satisfied now that there isn't the type of illegal disposal in creeks or rivers or down manholes that there was, say, five or six years ago. I think we have made great progress there. Our monitoring, our checking and our policing of the disposal of this waste has improved substantially, but it's the cost, it's the ability of these plants to handle a greater variety of these wastes, and again it's also the problem of convincing people that if they object unreasonably to some of these new methods of disposal they are aggravating the problem even more.

The hon. member for Durham West talked about the monitoring, referring to my remarks about monitoring and air monitoring, and then referred to PCBs and the fact that we weren't doing enough about PCBs. The monitoring I referred to in my statement, I believe, is restricted entirely to air pollution. Mirex, of course, is a problem such as PCBs. We were the first jurisdiction on this continent and, as far as I know, in the world, that revealed the problems of Mirex in certain species of fish. We announced the effects on people eating too much fish containing Mirex, and issued a warning about certain species and the levels of Mirex in certain species in Lake Ontario. New York used our data and our information in making a decision to ban certain species of sport fishing in that state.

The hon. member for Durham West also wanted to know the number of firms that we have prosecuted. He mentioned Alcan, which I mentioned in my statement, and asked what others had been sued. I have a list of a number of firms that have been sued. I'd be happy to show those to him. At this point I would like just to summarize and say that there were 44 prosecutions under The Environmental Protection Act and 34 convictions. There's at present two appeals. Under our motor vehicle emission controls there were 12 prosecutions and eight convictions and two appeals. That only makes 10. What happened to the other two?

Mr. Godfrey: Excuse me. While you are reading it, would you read off, from the convictions there, the amount of the fines, just

to make it complete so we don't have to come back to it?

Hon. Mr. Kerr: I could give you the detailed list which shows the fine. The highest fine was \$10,000 under The Environmental Protection Act. I think that was somebody in Sudbury. Under The Ontario Water Resources Act we have had 12 prosecutions and eight convictions. The largest one there was Algoma Steel and the fine will be set in January. Under The Pesticides Act, seven prosecutions, three convictions and two yet to come to trial. American Can is in addition to this, I guess; and that was under federal legislation, as I mentioned in my statement.

[5:15]

I don't quite understand the hon. member for Durham West. Maybe he is against pesticides. I know the pesticides are a great problem, particularly if they are used in an extensive and uncontrolled manner. But I was a little shattered with his remarks, because we sort of breathe easier at the end of the encephalitis season, I'll put it that way.

In fact, after a rather extensive programme, much of which the hon. members know was criticized and particularly the type of pesticides we were using in the spring, we don't know of any deleterious effects of carrying out that programme. We worked with the Ministry of Health and unlike 1975, when there was at least two and possibly three deaths, in 1976 there were only three cases reported to us. One, I think, was somebody who came from outside the jurisdiction and obviously had the bug before arriving here. But the most important factor is that there were no deaths. In undertaking this programme, I would think that is rather important to us.

As far as Swaru is concerned, that is not our plant. We have nothing to do with that plant. It's the regional government of Hamilton-Wentworth that owns and operates that plant. They are having trouble with it, there's no question, as are most resource recovery or reclamation plants. There is not one in the world that is working efficiently and up to capacity. That's something I found out in Las Vegas a couple of months ago. Even the ones that the hon. member for Huron-Bruce mentioned are still having problems because of the complexity of handling waste and the separation feature of plants of that kind.

However because Swaru is a rather expensive plant, we are continuously assisting the city and region in getting it operating to capacity. The region now has decided

that it will have to get the original design engineers back there to iron out the problems so that it can go from about 300 or 400 tons per day up to its capacity, which I think is around 1,200 tons per day or something like that..

Regarding cans and bottles, the hon. member for Durham West is of course aware of the legislation we passed. I hope to have some information as to the percentage increase in the use of returnable pop containers as compared with three or four months ago, which shows some very encouraging signs, even before many of the regulations have become effective.

The problem, of course, is to have an effective distribution system. We have to get the co-operation, not only of the bottler and the distributor, but also of the retailer and the consumer. Right now, I understand that some retailers are objecting to handling so many empties, many of which they say are bought at other stores and brought back for a deposit to their store. This requires extra help and more storage space, and hopefully we will make some amendments in our regulations to deal with that problem. But there is some improvement. As the hon. members know, the can people are starting to complain about the regulations; so maybe there are some positive aspects of the regulations.

We have talked about waste recovery. As the hon. member for Huron-Bruce has indicated and as the hon. member for Durham West has indicated, we may have to provide more incentives in the area of reclamation and recycling.

I don't object to the hon. member's suggestion that there be a marketing board system. I think that this may be our next move. We've considered it recently. The market fluctuates a great deal, particularly for waste paper and metal. As the hon. members know, from time to time you'll find a municipality will have a paper drive. They will have a weekly paper pickup or tin or bottle pickup and they'll take them to a depot of some kind, either voluntarily operated or by the community.

Because of the advantage of good markets, there's been no problem in selling that material or getting rid of that material. But there are times when their inventories build up and when the warehouses cannot handle any more waste because the purchasers, such as the mills in the Niagara Peninsula, have enough waste paper or the plants in Hamilton have a high inventory of waste metal

and glass. Because a very small handful of people are involved in the purchase and marketing of some of this waste material and because of the great fluctuation, it might be possible by way of a public marketing board to bring more rationality and stability to the whole marketing process of waste of this kind.

The hon. member also mentioned encouraging a reduction in the amount of waste at source, where it is generated. Of course, that is the most important fact of all in any programme of dealing with waste. As the hon. member for Durham West knows, we had what we called a great garbage gamble that started earlier this year and cost me a few dollars. The idea was to try to give some publicity and some significance to the idea of people separating their waste in their homes, using composting, buying milk and pop in returnable containers, cutting down on packaging in their own private way and making sure that the waste they separate doesn't end up in a sanitary landfill site but that it does go to some type of depot, whether it's public or private, and to encourage conservation methods generally, in their own home. If everybody did that, there would be a tremendous reduction in the amount of waste generated in this province. There would be a great lessening of the requirement of sanitary landfill and even reclamation plants, incinerators and things of that kind.

There's no question that there should be more emphasis on that. I don't know how we will encourage more people to do it in the rather affluent society that we live in in this province. Maybe we'll have to encourage people by way of tax incentives or even direct remuneration, if we can't appeal to their better instincts. That is the most important level or source that we have to deal with. If we keep on building up mountains and mountains of garbage, the cost of the whole system of collecting and disposing of waste will be astronomical, and that'll be the next complaint you'll hear from the municipalities. I can envisage the provincial government getting into a system of waste disposal the same as we are in the system of building water filtration plants and sewage disposal plants.

Mr. B. Newman: That's my bill.

Hon. Mr. Kerr: I know. We aint got the dough right now.

Mr. B. Newman: Will you accept the principle and at least set up pilots?

Hon. Mr. Kerr: The principle is fine but it is after the fact again. It is the end solution. Surely we can do something at the front end? That is what we should concentrate on now. Your bill indicates to some extent a failure in finding solutions at the front end but it may be the only ultimate solution.

Mr. Godfrey: May I raise a point of information, Mr. Chairman—Im sorry; are you finished, Mr. Minister?

Hon. Mr. Kerr: Yes, pretty well.

Mr. Godfrey: A point of information: Flowing from his remarks, would the minister be prepared to table under the course of these estimates random samples which have been taken on the milk from dairy herds and lactating females?

Hon. Mr. Kerr: As far as PCBs are concerned?

Mr. Godfrey: Yes.

Hon. Mr. Kerr: Any information like that which we have we will make available.

The only other remark I would make regarding the disposal of waste is to mention again—the Canborough site in Haldimand-Norfolk was mentioned, and the Halton site—the process under The Environmental Protection Act of approving sites of that kind.

As the hon. members know, if a hearing is required, and in most cases it is, to establish a disposal site that is the time the board comes into play. Until that time the municipalities have the decision regarding whether or not they want to be involved in a study to locate sites; the complete analysis of a variety of sites; which site is the most acceptable to the people and to the engineering and technical people.

Only at that time, when all the necessary tests and analyses and surveys are carried out, does the provincial government become involved. That is a fairly long process and in those areas where it is going on at the present time, we are attempting at the same time to encourage front-end plants or reclamation or recycling facilities of some kind.

Our ministry is working continuously with these various municipalities from a technical point of view to try to help them, to encourage them, to prepare in advance for the ultimate problem of disposing of their waste when their existing facilities are filled up. I think there is a problem of communication with some of the people in the areas. That is why they won't accept the difference, for example, between the old-fashioned con-

tinuously burning, rat-infested garbage dump and what we call a sanitary landfill site with proper controls and monitoring. That is all I have to say now.

Mr. Godfrey: Will the minister be prepared to table under the vote 1902, item 6, when we come to it, the justification studies which show there are no ill-effects from putting industrial waste in deep water wells or deep wells?

Hon. Mr. Kerr: We will put in what information we have regarding deep-well disposal. As the hon. member knows there is a public hearing going on at the present time in respect to the Canborough site. Therefore, you might say that it is almost sub judice—we will not refer specifically to that site—but we will indicate generally what the ministry requires in deep-well disposal and what methods and procedures it takes to satisfy itself as to safety.

Mr. Godfrey: Thank you. So that we don't get into a hassle at that time, what I am looking for are the studies which show there is no proved ill-effect from dumping industrial waste into deep wells. If that is presented, I will be quite happy.

[5:30]

Mr. Gaunt: Mr. Chairman, just so we tidy this one up, the minister didn't refer to the "watts from waste" programme at Lakeview, and I had raised that in my earlier comments. What current status is that project at at the moment? My understanding is that the programme has not made the kind of progress we had hoped for. That information came from Ministry of Energy people who were before the committee last week.

Hon. Mr. Kerr: Yes, that is basically correct, we are disappointed with the progress. I want to say that it is not really the fault of this ministry that there hasn't been that progress. As the hon. member knows, it involves Hydro, it involves Metro and it involves the province. Hopefully, the planning and the tendering for that plant will get under way early in the new year, but unfortunately there has been too much delay.

Mr. Gaunt: Where has the roadblock been?

Hon. Mr. Kerr: I don't know. Were you going to say something?

Mr. Biggs: I was going to say it is between the lawyers.

Hon. Mr. Kerr: Will you settle for that?

Mr. Gaunt: I am pleased to hear that it is getting under way and that you hope to call tenders the first of the year, because I think it certainly has possibilities.

The other matter is, the experimental resource recovery plant was supposed to have been completed this fall. Is it going on schedule?

Hon. Mr. Kerr: It will be starting in January, but not the complete plant. Hopefully the complete plant will be under operation about March or April. As I indicated, I hope some time in December to have this committee view that plant but it will start accepting waste in January. Again, building an experimental plant of that size, the costs have increased substantially over what we originally estimated. The contractor has been slower than we had originally hoped but with continuous encouragement, shall we say, and pressure from us, we now have some firm dates and hopefully six months from now, it will in fact be completely in operation.

Mr. Gaunt: Okay, thank you, Mr. Chairman. I just wanted to tidy that up, because it slipped over from the remarks I made earlier.

Mr. Godfrey: On a point of information, Mr. Chairman, where is that reflected in the budget, under which vote?

Hon. Mr. Kerr: That will be in the last vote.

Mr. Godfrey: Thank you.

Hon. Mr. Kerr: Also, the question was asked about the difference between "watts from waste" and the cement kiln demonstration that we talked about at Canada Cement Lafarge. The "watts from waste" system is to use Metro's garbage, basically to produce energy and that will mean that by using the Lakeview Hydro plant there can be some reduction in coal as a result of using garbage and steam from this new plant. The plant in Woodstock is basically the same except that it is a private plant that we've signed an agreement with. We will instal the equipment for this experiment, retain ownership of it and we will feed the refuse-derived fuel from the experimental plant. Hopefully this RDF will replace up to 50 per cent of the coal requirements of that company in the Woodstock plant now.

Mr. Godfrey: Did you say 50 per cent?

Hon. Mr. Kerr: That is apparently our ultimate goal, yes. The expert over there is

shaking his head, Mr. Godfrey, so we can come back to that.

Mr. Godfrey: Thank you. I wouldn't want to get into a detailed discussion of that plant yet.

Mr. Vice-Chairman: I would like the committee to make a decision now. We are on vote 1901 which has seven items under it. We have four votes in total with 21 separate items. Do you want to deal with the seven items in vote 1901 together because it's awfully difficult to keep this committee on one item. They seem to jump back and forth. If we could handle it as one vote and take a little more time, it would be easier to control it and would possibly be more effective.

Mr. Godfrey: One vote including all seven items, is that what you mean?

Mr. Vice-Chairman: Vote 1901 would be one vote and 1902 would be one vote. Is that okay?

Mr. Godfrey: It is all right by us, Mr. Chairman.

Hon. Mr. Kerr: We would deal with the items one to seven inclusive separately. Is that the idea?

Mr. Vice-Chairman: No. We would deal with them all as one vote but, hopefully, we would start at the top and work through. Rather than have each member speak on each item, the one member could speak on any one of the seven items.

Hon. Mr. Kerr: As long as we keep in some order, I think that's the important thing.

On vote 1901, ministry support services programme:

Mr. Williams: I think the statement made by the minister gives cause for some optimism in the area of development of new technology and new facilities for control and management of waste. However, I do have some concerns about the time lag period that obviously exists between bringing into operation some of these prototypes and some of these experimental programmes that entail substantial capital investment and entail considerable time period to bring to fruition. I have a concern over the time lag involved in what we can be doing in the future, as contracted to what is being done today by use of conventional methods of waste disposal. There are immediate needs for making arrangements for taking care of the existing

waste that is accumulating at a rate unprecedented in recent years.

I look in particular to the Metropolitan Toronto area where approximately a quarter of the population of this province is located and where the Metropolitan Toronto government has been trying to come to grips with the realities of the growing crisis of waste disposal in recent years. As we all know, there are really only three basic ways and means of disposal, whether it's burning it or burying it or dumping it at sea. I don't think we have turned to the third alternative as yet, at least not in this jurisdiction, but it is being done in other jurisdictions and certainly along the Atlantic seaboard and, I presume, the Pacific seaboard as well. A number of the large metropolitan areas in the United States are as a matter of course dumping great quantities of garbage at sea.

Mr. Vice-Chairman: Mr. Williams, it has been pointed out by the minister that this is in vote 1904.

Hon. Mr. Kerr: Are you heading for something in vote 1901? That's the only thing.

Mr. Williams: I'm coming to the whole matter of the waste management and waste recovery programme as it would relate to the Metropolitan Toronto area.

Mr. Gaunt: You can get that in under broad policy formation.

Mr. Williams: That's right. We have been talking about it for an hour and a half.

Hon. Mr. Kerr: Under Experience '76.

Mr. Vice-Chairman: Mr. Williams, usually opening statements wander all over the board. If we could deal with the main office now, then if you want to, you could pursue that in vote 1904.

Mr. Williams: The main office, as I see it described in the item, is to deal with the overall operating programmes of the ministry. One of them has to relate to waste management and waste disposal. I think, as has been occurring in all of the ministry items, it seems the broad spectrum of activities and programmes of the various ministries have been covered in the initial vote.

Mr. Biggs: Mr. Chairman, this is vote 1901, which deals with those items that are listed in the vote, the programme activities; the other matters are covered in the specific votes. So really this is not the place to discuss these, if you want to stick to vote 1901.

Mr. Vice-Chairman: Would you concede then? Do you have other remarks on vote 1901 you would like to bring up at this time?

Mr. Williams: No, Mr. Chairman, I wanted to discuss the topic that I was starting out to talk about, which was waste disposal in Metropolitan Toronto.

Mr. Vice-Chairman: When 1904 comes up we can discuss that.

Mr. Williams: I'm prepared to wait until we come to that particular vote, provided the other members aren't given the largess they have usually been accorded, speaking on anything and everything dealing with the ministry. If we get off talking about the operation of the ministry offices, the legal services, the seven specific items here, I'm going to be the first to call you out of order and subject to the right of having the right to continue.

Mr. Vice-Chairman: Fair enough.

Mr. B. Newman: Mr. Chairman, I wanted to raise an issue of policy with the minister concerning the disposal of sludge—

Mr. Williams: Point of order. Mr. Chairman, either we are going to deal with the item I was talking on, which is just as relevant to vote 1901 as what Mr. Newman is bringing up, or we are not. Let's be consistent here, this is exactly what I was talking about; sludge under vote 1901.

Mr. B. Newman: I'm talking about a policy matter.

Mr. Williams: So am I.

Mr. B. Newman: In the main office's policy.

Hon. Mr. Kerr: I think it would be under vote 1902, pollution control planning. What does your little sheet say; or is it vote 1904?

Mr. B. Newman: The only thing is normally when we talk on policy we talk right in the main vote, on the main office, because when we get down there, then quite often it's said we should have discussed that in the first vote. As long as you, Mr. Chairman, will remain in the chair and allow us to discuss it later, providing there is time, I'll accept that.

Mr. Vice-Chairman: It's the very point Mr. Williams raised that we carry on discussion of too many votes under the first item.

Hon. Mr. Kerr: It is under vote 1903, item 5, as well, Mr. Newman.

Ms. Bryden: Mr. Chairman, there are two areas I wanted to deal with, one of them we could do before 6 o'clock. I'd like to draw the attention of the minister that of the impressive array of officials and other people in the audience, there is not a single woman.

Hon. Mr. Kerr: There is so! Grace, stand up.

Ms. Bryden: I'm sorry, my apologies.

Anyway, there are very few in the array; but I had thought I had looked the audience over.

We only have the 1974-75 report of the director of the women Crown employees office. The other one, I understand, is in the works but hasn't come out yet. That shows that as at April 2, 1975, only 18.5 per cent of the ministry's employees were female compared to 38 per cent in the public service as a whole. The ration of salaries paid to females as compared to the salaries paid to males, was 61.9 per cent in the ministry; the overall ration for Crown employees was 71.6 per cent. I realize that this isn't a matter of lack of equal pay for equal work; it is a matter of the occupational distribution of the women in the ministry to a large extent but it would appear they are almost entirely confined to the lower paying jobs.

[5:45]

The average female salary in the ministry, as at that date, was \$9,202 and the average male salary was \$14,865. There is a very large discrepancy. I would like to ask the minister, first of all, is his ministry pursuing policies to change this ratio and to open more positions in the ministry to women, particularly more senior positions? Has he a full-time women's adviser and has any progress been made in the last year to change those percentages that I read out?

Hon. Mr. Kerr: Yes, Ms. Bryden, we have a full-time women's adviser, the lady who just stood up, Mrs. Grace Blackadar. She works with management in developing and promoting equal opportunities for women employees. We always give equal opportunity to the women in all our competitions.

I think there has been an improvement this year. We have a complement of 339 women of which 282 are clerical and office support functions and 57 are non-clerical. Of those, we have six engineers, six scientists, 29 technicians three environmental technicians, two resources managers, five personnel administrators, one purchasing officer, one public relations officer—I can give you a copy of this if you want a list—two pesticide control officers,

one cardiographer-supervisor and one librarian.

We have also had a training programme going on this year in which we had 89 women participants. We are not satisfied with the ratio but I think, in some respects, it might be understandable because we have to improve year by year to achieve a more equitable ratio.

I think the important thing is that, first of all, women are paid the same as men for the same type of work and they have the same opportunity to become employed by the ministry. I think those are the two basic requirements and, as I say, that does take place.

I don't know if Mrs. Blackadar wants to add anything to that. Would you like to add anything to that? It is an opportunity to give an outline of your programme, if you would like to come up to the microphone. I know you are very proud of it.

Ms. Bryden: Is Mrs. Blackadar full-time on the women's affirmative action programme?

Hon. Mr. Kerr: Yes.

Mrs. Blackadar: I guess what I would like to say that each women's adviser, depending on her own personality and her outlook, probably approaches the picture differently even though we are all trying for the same end.

I have been full-time only for a year and my feeling in the beginning was I should start with the consciousness and the awareness part of it. That, I feel, has been fairly successful. I am quite happy to say that I see a definite improvement in the awareness factor within our ministry.

I thought I would do this in three stages. That was the first. The second stage would be the training and the development because you have to have people and I would like to see people within the ministry have an opportunity as well. For one thing, we have restricted outside recruitment right now, which doesn't make it any easier. I would like to train people in the ministry to be ready to take over some of these positions. Last year our training increased; I would say it doubled for women. They are showing more interest. They are coming to me and asking me about which courses they should take.

The next step is the plan type of action which we are working on now, but I haven't anything concrete to say about it at this moment. I don't know what else to add other than what the minister has told you unless

you have a specific question for me, but I guarantee you that I am dedicated to the assignment I have accepted. I am doing what I can. It's a slow process, naturally, and I would rather see it that way in a certain sense because I would rather build on a sound base than try to turn everything upside down overnight and maybe defeat the purpose. I don't think you can raise expectations of numerous women without having some areas where they can move forward, and I feel at this point it's moving in the right direction and at the sort of speed it should be.

Ms. Bryden: Mr. Chairman, I am very glad that Mrs. Blackadar is here to tell us about the programme and I am very happy that she's concentrating on the changing of attitudes as the first step, because I think until that is done, people don't think of women when there are vacancies opening up as much as they think of the men.

I would like to ask—I don't know whether the minister can answer this or not; maybe Mrs. Blackadar can—are there any women in this chart that the minister presented, which shows the major branches and the heads of each one?

Hon. Mr. Kerr: As a matter of fact, we had one lady, Helen Vanner, who was in the finance and administration division section. She was the director of the finance branch. She was replaced by W. D. Wood.

Mr. Biggs: She was promoted.

Hon. Mr. Kerr: He replaced Mrs. Vanner. As a matter of fact she was stolen by Health. That is really what happened.

Ms. Bryden: And you weren't able to find another woman to replace her?

Hon. Mr. Kerr: I don't know whether our personnel people are here, but I would assume—Mrs. Blackadar would know this—the personnel people would interview every possible candidate for this job. I am not sure if Mr. Wood came from within the ministry or not.

Mrs. Blackadar: I don't know whether he did. Perhaps you would like to direct that question to your personnel director, who is here. I don't want to be covering too many specific areas and have people think that here's a woman who is trying to cover all the bases for the whole ministry. Our personnel director is here, if he would care to answer. I am pretty well assured that each competition is open to both men and women, and I see this happening based on merit.

Mr. Biggs: At the time that Helen Vanner left, we were also working with the constraint programme. We were cutting back, not only on some senior people in the ministry, but also to meet our quota of 34-plus in terms of reduced staff. There was an inter-branch transfer in this particular instance; we moved a person from administrative services into the branch position and reduced our staff by one person. Under normal circumstances in our ministry there is a competition and interviews of people.

Ms. Bryden: Each of these persons probably has a first-line assistant. Offhand, would you know whether any of them would be women?

Mr. Biggs: I don't think there's a first-line assistant in any of the branches at the moment. The problem is, as Mrs. Blackadar inferred but didn't state specifically, that although we are dealing here with administrative services, there's a shortage of qualified women in a scientific ministry like ours. However, it's interesting that our chief prosecutor, Linda McCaffrey in legal services, is not only Irish but she is a woman. We have now added another prosecutor who is working with Linda and she is also a young woman who came from the Ministry of Health to our ministry, so where they are qualified it is equal opportunity; where they are qualified, there is equal chance for any position in the ministry.

Hon. Mr. Kerr: I think you will agree Ms. Bryden that traditionally women haven't been entering the engineering and technically related professions as much as men, except in very recent years, and that is probably why there is such an imbalance in this top area of the ministry.

Mr. Biggs: The other field is in personnel services itself. I don't know where Linda Budd rates, but she is a senior person in personnel services.

Mrs. Blackadar: She is a supervisor of staffing.

Mr. Biggs: Right, so she is a relatively senior person. We have two or three other girls who are in personnel and one of those has upgraded herself. She is a former secretary of mine and she has gone into personnel work, with a higher salary, and of course in this particular field she can go to the top if she is qualified or takes courses.

Ms. Bryden: Of course the ratio of female to male salaries might change markedly if we

move toward this concept of not equal pay for equal work but equal pay for work of equal value, but I know we are still in the exploratory stages as to what that phrase means and how it could be applied.

Just one last question. You said 89 women participated in the training programme. How many participated in total?

Hon. Mr. Kerr: In total?

Ms. Bryden: Yes. How many employees were in the training programme? How many males were there?

Hon. Mr. Kerr: I haven't got the figure, but this was 47 per cent of the total.

Ms. Bryden: It was 47 per cent? That is what I wanted to know. Thank you very much. I did have another topic I wanted to raise on policy if I could go on.

Mr. Chairman: Since it is now one minute to 6, we will adjourn and start again at 11 tomorrow morning.

The committee adjourned at 5:59 p.m.

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Burr, F. A. (Windsor-Riverside NDP)

Gaunt, M. (Huron-Bruce L)

Godfrey, C. (Durham West NDP)

Johnson, J.; Vice-chairman (Wellington-Dufferin-Peel PC)

Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)

Lane, J.; Acting Chairman (Algoma-Manitoulin PC)

Newman, B. (Windsor-Walkerville L)

Reed, J. (Halton-Burlington L)

Shore, M. (London North PC)

Williams, J. (Oriole PC)

Ministry of the Environment officials taking part:

Biggs, E., Deputy Minister

Blackadar, G., Women's Adviser



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SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
THE ENVIRONMENT

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Friday, November 26, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

FRIDAY, NOVEMBER 26, 1976

The committee met at 11:22 a.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (continued)

Mr. Vice-Chairman: We now have a quorum.

Before we start, I think Mr. Gaunt would like to make a comment.

Mr. Gaunt: Yes, Mr. Chairman, in view of some commitments that some of us have today, I would like to move that we sit until 12:30 today and that we make up the lost time Tuesday next, by sitting from 3 o'clock, after the question period, until 6:30.

Mr. Vice-Chairman: Do we have a seconder?

Mr. Godfrey: I'll second the motion.

Mr. Vice-Chairman: All in favour? Carried. I believe when we left off, Ms. Bryden, you had the floor.

Mr. Godfrey: A point of order, Mr. Chairman: I called for some documents to be tabled at the last meeting; are they ready for tabling?

These documents included the account of the fines which had been levied; the random samples of PCBs in lactating females; and the third one—I think you have it in the minutes. I intend to call for them each day as we begin, so that I have a good basis on which to conduct any discussion.

Hon. Mr. Kerr: The request from the hon. member was that this information be made available before the estimates are completed. It will be made available to the hon. member as soon as I can, some time next week before the estimates are completed.

Mr. Godfrey: I can appreciate that. Could we possibly persuade the minister to present them before the vote is considered? There's no point in my knowing whether people have been fined or not fined after—

Hon. Mr. Kerr: I have the information regarding the prosecutions.

Mr. Godfrey: Thank you. Just to clarify it, Mr. Minister, I'm really not interested in the material after the vote has been concluded. I would think in all fairness, in order to enable me to conduct my discussion with any type of coherence, that I need the information before the vote is considered. I hope that would be taken into consideration.

On vote 1901, ministry programme:

Ms. Bryden: I have just one further item I want to raise, and I'm bringing it up under this vote because I think it's a matter of general policy, possibly requiring legislative action.

The public consciousness about the effect on the environment of various substances and gases has been raised considerably and I think that's one of the reasons we have a Ministry of the Environment. People do expect the government to protect them and we understand that knowledge can only come from two sources—from monitoring the effects of various substances in our air, land and water and, in addition, the ministry does have to rely greatly on complaints. It cannot monitor everything.

Of course, there must be safeguards to see that complaints are not frivolous, because they can cause a considerable amount of expense and also there is the considerable cost of compliance, if the allegation is proved true, so there must be safeguards there. But what I'm concerned about is safeguards for the complainer. He needs or she needs protection, particularly if the person is an employee of the company or the person reported.

I wanted to recount to you one incident that came to my knowledge showing the need for legislation in this field to protect the complainer. The case concerns a Mr. Joseph Crawford, who worked in the warehouse of a carpet company in Rexdale, Ontario. Next door was a firm that engaged in extermination activities, pesticide activities.

Mr. Crawford noticed one day, July 25, 1975, that there was effluent coming from one of the machines that was parked next door. It had a nauseating odour and caused his eyes to burn. It was flowing into a gully leading to a culvert at the rear of the warehouse where he worked, from thence it would find its way into a nearby creek.

Mr. Crawford had a very strong sense about the environment and protecting it from pollution. He went next door and took a sample of the effluent. He did so because as he said—

Mr. Williams: Point of order, Mr. Chairman, is this related to the main office?

Ms. Bryden: I think I just explained that I think new legislation is needed to protect complainants, and I am giving one incidence where he has no protection.

Hon. Mr. Kerr: It could be under legal services.

Ms. Bryden: It will not take very long.

Mr. Crawford in his letter to me said: "As a conscientious citizen I strenuously objected to what I considered to be the pollution of this area."

So he went and took the sample. He was accosted by an employee of the firm next door, and when he explained what he was doing they said to him: "Oh, you are one of those kind."

He phoned the Ministry of the Environment, reported the incident; they sent a representative who took the sample and observed the situation. He also took a sample of the soil in the gully and thanked him for reporting the incident.

In a letter dated July 28, 1975, the pesticide officer of the ministry, Mr. T. O'Neill, wrote him and reported that the sample Mr. Crawford had collected contained 1,500 parts per million of chloridane; the soil sample also contained chloridane, but in a much smaller concentration. Mr. O'Neill also reported that the pesticide firm had agreed to remove the contaminated soil from the gully as directed by the ministry. He thanked Mr. Crawford for notifying the ministry and providing it with factual information. The ministry's directive cost the company a considerable sum.

On Friday, August 22, 1975, less than a month after he reported to the ministry, and ten minutes to five on the eve of his two-week vacation, Mr. Crawford was handed his separation notice, two weeks' salary and a

per cent of his total earnings as vacation pay. He received no notice or pay in lieu of notice; he had been employed by the company for 10 months and had never been told that his work was unsatisfactory.

He received no warning of his dismissal and there was no clear reason given on his separation slip. The unemployment insurance authorities inquired about this omission and were told that the reason was shortage of work; but when Mr. Crawford visited the premises the following week he found a new employee in his place and business as usual.

He discussed the matter with the Toronto manager of the firm and says he was told that the Montreal owners were very angry at his reporting the pollution incident and felt it had jeopardized their good neighbour relations with the firm next door, to such an extent even that they had offered to share some of the costs of the cleanup. Mr. Crawford also had a conversation with one of the Montreal owners later who told him, and I quote from his letter, "in no uncertain terms that I should not have reported what he considered an unfortunate incident because Abell Waco is our neighbour. Let them destroy the world, it's none of your business; they may find something to report on us. To hell with the world; they are our neighbours and we don't want trouble."

Now, Mr. Chairman, I realize this is hearsay evidence but it was submitted by Mr. Crawford to the Ministry of Labour and to the Ministry of the Environment, who could have checked it out with the company concerned. Mr. Crawford has not been able to find equivalent employment since the dismissal. He had some trouble establishing his claim with unemployment insurance because of the lack of information on the separation slip. The only work he has been able to find in the past 15 months is as a gasoline pump attendant, which is not very suitable for a man of 57, used to inside work in a warehouse.

Both the Ministry of Labour and the Ministry of the Environment have indicated to Mr. Crawford that they can do nothing to get him reinstated in his job, because even if his allegations are true, and I have no reason to believe they are not true, there is no law to protect a person who makes a complaint to the Ministry of the Environment on a pollution matter.

It seems to me that this is an area which the ministry should be considering for legislation so that persons who actually suffer loss of employment or other serious monetary loss, such as loss of promotions, as a result of

doing their duty as a good citizen in protecting the environment, should be compensated in some way, or possibly some provision made for having hearings and reinstating them in their job in the case of a dismissal.

[11:30]

Hon. Mr. Kerr: Am I correct, Ms. Bryden, that you're saying there are two companies involved here? Mr. Crawford was working for one company and he complained about effluent from another company, and the other company was required to correct it, but then his own company fired him because he interfered with the other company?

Ms. Bryden: Right.

Hon. Mr. Kerr: Because the other company was a neighbour, or words to that effect?

Ms. Bryden: That's correct.

Hon. Mr. Kerr: I think if his own company let him go because of a complaint of some type of environmental contamination, and that was in fact admitted by his boss, then that would be a wrongful dismissal, in my opinion. I would assume that in this case his boss, in letting him go, did not in fact admit that he was being let go because of his interference, so to speak, in the question of contamination. You're right in saying in that circumstance there really isn't any law that I'm aware of. Maybe Mr. Mulvaney can help me. I know that certainly the problem of an employee complaining about his own company and, therefore, the safety and health and welfare of himself and other employees isn't the type of conduct that's subject to dismissal. But this is a little unique, and as far as I know there would be no law to protect this person from the point of view of his act in reporting a matter of contamination. It's a question, I would think of the Labour Relations Board, his status vis-à-vis that company and what rights he has to proper notice and proper dismissal for cause. Do you want to comment on that, Mr. Mulvaney?

Mr. Mulvaney: Yes, I'm Neil Mulvaney, Director of Legal Services, Ministry of the Environment. I have some recollection of that case, though I don't recall the actual dates. It was brought to my attention by the central region of the ministry, and I did address myself to the question of what recourse there might be for the individual and also I think as to what steps we might take against the company.

As far as the employment issue was concerned, I took that up with the director of legal services at the Ministry of Labour, and he confirmed what you've said, Mr. Minister, that there's the normal recourse for wrongful dismissal involving a certain number of weeks' compensation, but not actual reinstatement in the position. There was no legislation available in his ministry which would really assist here. We discussed whether such legislation might be appropriately in ours or in the Ministry of Labour's field, and it's my recollection that it was his thought that, as the hon. member has indicated, it might be appropriately dealt with in our own legislation; that is, protection for complainants who happen to be employees of a polluting firm or a neighbour.

Hon. Mr. Kerr: I would also think this may be a question of negotiation and collective bargaining; that the union, for example, I would think would require a stipulation that no one will be dismissed because of reporting or pointing out a source of contamination that, in fact, affects the health and safety, to some extent, of that employee and fellow employees. It may be covered under the Minister of Labour's (B. Stephenson) new bill, I don't know; but in that case it wouldn't, as you can appreciate.

I agree with Mr. Mulvaney, I think we should look at it. I think it should be in our legislation, an extension of our Environmental Protection Act.

Ms. Bryden: I'm sure the minister is well aware that a great many employees are not in unions and I don't think there was a union involved in this case. The situation does seem to need some special legislation. The dismissal was not because of the conditions in the place of work where the person was employed; in effect, the person was performing a public service by protecting this particular creek from having this effluent get into it, which would affect all the people living in the area. It had nothing to do with the plant where this man worked.

It seems to me there is need for legislation in the Ministry of Labour to protect employees who report hazardous and polluting conditions in their own work place and for the general public which has some monetary loss. It may not happen very often but in this case there appears to have been a monetary loss as a result of acting as a complainant.

Hon. Mr. Kerr: We'll look into that.

Mr. Vice-Chairman: Mr. Godfrey, did you agree to trade? Mr. Gaunt wanted 10 minutes now. What did you decide?

Mr. Gaunt: Mr. Chairman, in view of the fact that we're going to sit until 12:30, I came to an agreement with Dr. Godfrey that he would go next.

Mr. Godfrey: Thank you, Mr. Chairman. I wanted to discuss, under the rubric of broad policy formulation, The Environmental Assessment Act and some of the things which flow from it.

Mr. Williams: Mr. Chairman, a point of order. I don't think The Environment Assessment Act comes under the main office vote.

Hon. Mr. Kerr: No, that comes under another vote; vote 1902, either item 5 or 6.

Mr. Godfrey: If you wish; I was looking at this from a broad policy formulation point of view—

Hon. Mr. Kerr: It's all right.

Mr. Godfrey: — and proceeding from that, but I could put it off if you like.

Mr. Vice-Chairman: It was agreed we would try to stick to the vote.

Mr. Godfrey: All right. Looking at the main office expenditures, I am interested to note that the 1975-76 estimates for main office are barely 60 per cent of what was estimated to be spent in 1974-75. I congratulate you on this and ask how it was done.

Hon. Mr. Kerr: There was a decrease in complement of two people. That brought the salaries down about \$25,000—regular salaries. Employee benefits were down \$2,000 and, therefore, transportation and communications for the employees was down \$3,000. The regular services provided by the main office were down \$10,000 so that makes a total of \$40,000. Is that the figure that you have?

Mr. Godfrey: No, sir. I have a total of \$400,000.

Hon. Mr. Kerr: I'm sorry. What I read to you there really was figure, I guess, for—\$400,000?

Mr. Godfrey: Your estimates for 1974-75 were \$858,000 for main office. Your estimates for 1975-76 are \$416,000.

Hon. Mr. Kerr: Yes.

Mr. Godfrey: Have you reduced your services 50 per cent or your staff 50 per cent?

Hon. Mr. Kerr: We're doing the estimates for 1976-77. You should be looking at the figure on the left, \$376,000.

Mr. Godfrey: On the left? I beg your pardon. Then in the estimates previous to that, you're now up a good 50 per cent from your previous ones.

Hon. Mr. Kerr: You were looking at the figure of \$416,000?

Mr. Godfrey: In the 1975-76 column.

Hon. Mr. Kerr: Yes.

Mr. Godfrey: I now see that your estimates at that time were \$416,000. Now you have an estimate of \$858,000.

Hon. Mr. Kerr: No, that's the year before you're looking at. Look over in the left column.

Mr. Godfrey: Can I have an idea of what your estimate was for last year then? Is that shown in this column?

Hon. Mr. Kerr: The estimate for last year was \$416,000.

Mr. Godfrey: And your estimate for this year is?

Hon. Mr. Kerr: It's \$376,000; on the left hand side of your sheet.

Mr. Godfrey: Well, possibly I'm confused with those figures.

Hon. Mr. Kerr: Mr. Godfrey, are you looking at page R-38.

Mr. Godfrey: That is correct; top column, main office.

Hon. Mr. Kerr: The left hand column. \$376,000. Do you see that?

Mr. Godfrey: Yes, I see that.

Hon. Mr. Kerr: That makes a difference of approximately \$40,000.

Ms. Bryden: Could I interject, Mr. Chairman? I copied out of last year's estimates book the figures against each item and in last year's estimates book it was \$859,000 instead of \$416,000. There has obviously been some reshuffling of all the functions within the ministry from the estimates book of last year to the estimates book of this year. This is the problem I think. The com-

parable figure to this year's \$376,000 in last year's book was \$859,000.

Mr. Godfrey: I am not accusing you of absconding with \$400,000.

Mr. Castel: There have been some minor changes in the programme structure as the result of the Environmental Assessment Board, which previously was in the main office, now being shown separately under vote 1902. This is in compliance with the new environmental assessment legislation.

Mr. Shore: Excuse me, on a point of information, I want to carry on with Ms. Bryden's point. Did you say you copied last year's book?

Ms. Bryden: Yes.

Mr. Shore: What have you got for vote 1901, item two, for example?

Ms. Bryden: Under vote 1901 all of the items jibe except that main office and financial administration services are out by \$200,000. Personnel services are out by \$230,000 from the figures shown last year.

Mr. Shore: Mr. Chairman, it seems to me that is a reasonable query. If we are trying to prepare something and there are changes there should be some identification so that we can know. I have accepted these figures as being truly from last year's estimates.

Mr. Castel: The changes made in the programme structure are identified in the index. That is one of the reasons we have distributed the index which explains what is under main office. The environmental assessment vote was previously the environmental hearing vote and used to be part of the main office. It is now shown separately under vote 1902.

Mr. Shore: The notes will pick that up?

Mr. Castel: That is right.

Mr. Shore: Fair enough.

Hon. Mr. Kerr: Does that explain the discrepancy in the figure? Are you satisfied with that?

Mr. Vice-Chairman: Does that satisfy you, Mr. Godfrey?

Mr. Godfrey: That satisfies me if we could just suggest that next year when the estimates come down, that should be made a little bit clearer because I don't have an accounting background, such as the member from London has, in order to realize what is going on.

Under legal services, could you explain who gets the funds set aside there? I know it is lawyers but what are they doing?

Hon. Mr. Kerr: Legal services is our own branch. All the lawyers in our branch are seconded from the Attorney General's ministry. There is a complement of 14 consisting of seven lawyers, four secretaries and one prosecutions officer, as well as a general counsel and his secretary. I haven't anything on salaries because that is paid out of the Attorney General's estimates. The figure of \$361,000 is—salaries \$5,000, that is unclassified; transportation and communications \$15,000; services \$332,000; supplies and equipment \$9,000; making a total of \$361,000.

[11:45]

Mr. Castel: Mr. Minister, the cost shown under legal services is mainly for salaries. They are not reflected under salaries because the salaries are paid by the Attorney General, and the Ministry of the Environment simply reimburses the Attorney General for the cost of salaries.

Mr. Godfrey: That's shown under services?

Mr. Castel: That's right, because the branch reports to the ministry on a solicitor-client basis.

Mr. Godfrey: Just to clarify it, Mr. Chairman, services at \$332,000, that includes in-house transfers to the Attorney General's office, is that correct?

Mr. Castel: That's right.

Mr. Godfrey: Thank you very much. Are any of those legal services made available to others who might appear before the Environment Assessment Board? Do you provide any legal help or succour for citizen groups or other people who might want to appear before your boards?

Hon. Mr. Kerr: We have provided legal services for citizen groups. Whether or not we would do it before the Environmental Assessment Board is questionable, because we appear before the Environmental Assessment Board for the most part, in any event, Mr. Mulvaney can correct me on that, but I know, for example, that in the Windsor-Detroit area, where there was a problem of air pollution and some citizens of Windsor took action against some American companies, we provided a great deal of advice and service in that instance and that went on for a period of about 18 months.

We have assisted where there are private prosecutions. For example, in your case, Ms. Bryden, if Mr. Crawford had laid a charge himself, which he could have done, against that offending company, we would assist and prepare the prosecution for a person in that situation.

Mr. Godfrey: Thank you. Would you indicate how much that would involve in dollars? Is it a common occurrence or is that pretty rare?

Hon. Mr. Kerr: Do you have any idea of how many times we've done that in the past year or so?

Mr. Mulvaney: That is a rare occurrence, Mr. Minister. What usually happens is that someone who's concerned about a particular polluting company will contact the regions and ask that a prosecution be undertaken, and if it's undertaken by the ministry then, of course, we proceed with the prosecution. If it's not undertaken by the ministry, that is, if our regional director makes the judgement that that's not going to be a ministry prosecution, then normally we're not involved, unless we're asked for advice by the counsel handling the case, for example, the Environmental Law Association, we're glad to assist, but normally not in the role of counsel, normally simply providing advice.

Hon. Mr. Kerr: Providing advice, that's what I implied. Providing advice, particularly where the citizen may have commenced the action on his own hook and then realizes that he's probably into something more than he can handle by himself and he calls for help, witnesses, information, from the branch.

Mr. Godfrey: Mr. Chairman, what would determine the fact that you had assisted a private citizens' group in Windsor as opposed to a private citizens' group in another area?

Hon. Mr. Kerr: There was no parochialism about this, or regionalism. I think it was the type of case. It was a rather unique case where it involved trans-boundary air pollution, and the citizens took what was a class action—they can do that in the States—and really because of the complexity of that case in going against two or three large companies and attempting to prove or identify the source of air pollution, and also our own knowledge, and monitoring and feelings about that problem in that area, we assisted the citizens.

I think it's an example of where we've helped, and certainly there are similar situ-

ations of that kind. For example, in Durham we would also be involved.

Mr. Godfrey: Yes, I compliment you on that; I'm just trying to get a firm set of guidelines so I can direct citizen groups to apply for this help. Because as you know, under your Environmental Assessment Act, you don't provide any help for people who appear before the Environmental Assessment Board or other bodies like that. Is it possible to get a set of guidelines from the ministry as to how citizen groups may take advantage of this? I give you an example: The people of Oshawa are concerned about PCBs in the water—and this is a trans-border problem. They are an organized group and they want to raise an action. Will you help them?

Hon. Mr. Kerr: Certainly we would help them, from the point of view of preparing information; providing analysis of the species of fish, for example, that are contaminated. Whether or not we would actually act as counsel, I don't think that's our policy is it?

Mr. Godfrey: It was not your policy in Windsor to act as counsel?

Hon. Mr. Kerr: No, we didn't appear before the court. They had a specialist and they had their own counsel, actually an American.

Mr. Biggs: We were asked to provide our air specialists in the Windsor case, it was requested of us and we acceded to the request.

Mr. Godfrey: I'm delighted to hear that you've done that, because it appears that where there are private citizens who want to have information you are coming to their help in providing them with information and back up material. My problem is I have a little difficulty in knowing how you discriminate as to whom you're going to help. At Canborough right now they are desperately in need of information with regard to the deep water well. Now can they call upon your ministry for that type of help?

Hon. Mr. Kerr: What will happen in Canborough, and Mr. Sharpe can correct me on this or add to it, first of all there's the proponent, the company, Cambrian Disposals I believe the name is, who are required to show before an environmental assessment board what they intend to do with that facility, the type of industrial liquids that will go down that well, what steps they are taking to protect the aquifer, the ground, in the

event that this is relevant to the water tables; and generally to assure there is no contamination resulting from that disposal well. That is the responsibility of the company or the proponent.

My ministry will be involved to the extent of answering questions as a result of this application. We will be required to indicate whether or not this type of facility, in the minds of the officials of the Ministry of the Environment, is in fact a safe type of disposal; any further information that may be required as to the type of liquids that will be disposed down that well and the effect it will have on the environment generally will come from us. In other words opinion, hopefully expert opinion. Then, I would suggest, citizens who attend that hearing could very well pose questions to the board and its expert witnesses to clarify any concerns they have in their own minds.

It is still sort of a quasi tribunal, I would say, or quasi court, rather than the formal structure of a court, something like an OMB hearing, so there's no problems about people appearing without notice at the last minute to ask questions or to make submissions, either individually or as a group. I understand in Canborough, for example, that one or two groups have engaged local counsel who will be acting for them.

Again, we wouldn't take sides. We're not supposed to take sides in a situation like that, because our ministry will ultimately decide whether or not that disposal well should be approved, whether we should accept the recommendations of the Environmental Assessment Board, so that it wouldn't be proper in my opinion for us to provide counsel to a citizens' group in a situation of that kind.

But as far as information is concerned, that is all made available at the Environmental Assessment Board hearing. Someone has asked, and I think possibly you have, Dr. Godfrey, or implied in your question, why can't this information be made available in advance of the hearing? We really have to learn from the hearing just what is being proposed. It is then that to some extent our people will react from that information and decide whether or not the chemicals are in fact safe and what the general reaction, in effect, of that type of disposal is. Again, it's not that formal a structure of hearing that anybody is taken by surprise, or hasn't got an opportunity to analyse the information of the proponent, supposing that the hearing has to be adjourned for that purpose.

Mr. Godfrey: The whole thrust of my question, of course, is to see if we cannot be—I don't want you to be on anybody's side. I just want you to be on the side of truth; it's a little difficult at times. But surely there is no problem in presenting all the facts at the command of this tremendous and formidable organization which you have here. You know—or you've got some information, I pray to God, on what happens when you put waste down into a 2,300 foot well. That is already known. You've got examples of what happens in other countries around the world which no citizen can possibly tap with a question at a hearing board. However, we will move on from that.

In your estimates for policy, where is the budget item that showed how you are going to cut down on the production of garbage?

Hon. Mr. Kerr: I think we will deal with that in the last vote.

Mr. Godfrey: I think, sir, that you have a broad policy formulated to cut down on garbage. May I see the budget item for that?

Hon. Mr. Kerr: I would suggest it's in vote 1904.

Mr. Godfrey: All right, I'll come back to that then.

Where is the budget item which permits you to assure the citizens of Stouffville that you will ensure they have good water if it becomes contaminated to an extent which endangers their water supply?

Hon. Mr. Kerr: That would be waste disposal.

Mr. Godfrey: Is there a specific item—we won't bother looking at it, I'll come back to it later. If you could just assure me—

Hon. Mr. Kerr: No, it is basically waste disposal. Whatever item covers that matter.

Mr. Godfrey: No—if I may, Mr. Chairman, I don't want to contradict the minister—this is a matter of broad policy, because if he is going to assure the people in Stouffville that he will ensure that they get a good water supply, he has to have some clout and some money. I would like to see it in the budget because it has to apply to everybody in the province. The people in Stouffville are not special.

He has made a policy statement. I would like to see the amount in the budget that justifies an expenditure that will give this some money.

Hon. Mr. Kerr: Vote 1903, item 3.

Mr. Godfrey: Thank you. Then I give you warning, sir, when we come to 1903, item 3, I shall put the question again specifically with regard to Stouffville and other wells.

Mr. Vice-Chairman: Would you like me to place your name for discussion on vote 1903?

Mr. Godfrey: Yes, thank you. This is notice of a question; I shall hope to get the information at that particular time.

May I ask—with regard to the fines, which you were good enough to provide me with—do you wish to discuss that under broad policy or do you wish to discuss that under another area? You were good enough to give me a copy of the fines.

Hon. Mr. Kerr: I would suggest we do it here, under legal services.

Mr. Godfrey: Thank you. The concern I have with regard to the fines is how are the fines set? The largest fine here I think is \$10,000, isn't it?

Hon. Mr. Kerr: Yes, that's the largest single one.

Mr. Godfrey: Who decides that, Mr. Chairman?

Hon. Mr. Kerr: The Environmental Protection Act provides for a maximum fine and of course the wording of the Act would be to the effect that the fine is a maximum amount of, or not more than \$10,000. And I believe that is \$10,000 per day in the event it continues.

Mr. Godfrey: Excuse me, Mr. Chairman, that isn't clear on this. I see Champlain Forest Products Limited, September 10, 1973, convicted and fined \$1,000. Did they clear up the mess in one day?

Hon. Mr. Kerr: As I say the judge has a discretion under our Environmental Protection Act to give a fine of up to X number of dollars. In this case, it's \$10,000 and I believe that's on a daily basis. In other words, if the offence continues it can be up to \$10,000 per day. Now that judge, based on the information at his trial, decided that the fine should be \$1,000.

Mr. Godfrey: Per day?

[12:00]

Hon. Mr. Kerr: No; apparently this is the complete fine for that offence.

Mr. Godfrey: Then I take it that nobody in this province has ever paid more than \$10,000 for polluting.

Hon. Mr. Kerr: I think that's probably right, as far as I am aware.

Mr. Godfrey: May I ask you a rhetorical question? Don't you think it is about time we changed that particular number in view of the inflation which we have all contributed to? Ten thousand dollars is sort of a—

Hon. Mr. Kerr: I realize when a company, particularly a large steel company, is required to install abatement equipment that might be worth as much as \$10 million, that it can live with a lot of \$10,000 fines. I agree with you.

Mr. Godfrey: I see that one of them already has. He took a \$500 fine and then came back for another one, eh? It didn't dissuade him.

Hon. Mr. Kerr: All I am saying is that if a judge who hears the facts and the evidence decides that the fine should be \$1,000, we can appeal it because of the amount of the fine. We did that in a recent case in Sudbury—the particular one you are talking about—I believe the fine was increased up to the maximum of \$10,000. The original fine in that case was \$500. It was a ridiculous amount.

Mr. Shore: And the government appealed that?

Hon. Mr. Kerr: We appealed that and it went to \$10,000. The Act provides that anyone found guilty of an offence on summary conviction is liable on the first conviction to a fine of not more than \$5,000 and on each subsequent conviction to a fine of not more than \$10,000 for every day. And I believe it was a second offence in that particular Sudbury case. That's \$10,000 for every day or part thereof upon which such offence occurs or continues; so that's pretty hefty.

Mr. Godfrey: I am confused here. Your list gives a fine of \$1,000, for example—

Hon. Mr. Kerr: Yes, that was the court decision.

Mr. Godfrey: I would like to know how much it's costing these firms. You have sort of implied it's \$10,000 a day, and presumably it would be dated back to the date of judgement; that might run fairly high. I would appreciate very much if you could give me material that shows that somebody has really

paid more than the \$10,000. I would also point out that the implication that when you appeal, it usually goes up just ain't so—

Hon. Mr. Kerr: That's right. That doesn't always follow.

Mr. Godfrey: —because Korbel appealed and it went down.

Mr. Shore: It was a court decision.

Mr. Godfrey: On the appeal; yes, of course. Would you also indicate to me on the list the decision regarding American Can at Marathon?

Hon. Mr. Kerr: It is before the courts now.

Mr. Godfrey: I see. So they haven't been convicted?

Hon. Mr. Kerr: No.

Mr. Godfrey: Could you explain to me why no major paper companies, as shown in this brief you were good enough to draw up for me—I may be wrong, but I can see no fines that have been levied against these companies.

Hon. Mr. Kerr: I haven't looked at this list. Have there been any recent convictions of paper companies?

Mr. Mulvaney: Again speaking from memory, Mr. Chairman, because some of these go back a little bit, Canadian International Paper in Hawkesbury was prosecuted for an air pollution offence a couple of years ago and that went right to the Court of Appeal before they were finally convicted. Ontario-Minnesota, which I believe is a pulp and paper company, was also prosecuted for an air pollution offence that same year, which I think was 1973.

Mr. Godfrey: I am sorry, Mr. Chairman. I don't want to interrupt Mr. Mulvaney. I am just interested in convictions as they affect this document. I don't believe this document is concerned with air pollution; it's just concerned with BOD 5—five-day biochemical oxygen demand—and suspended solids.

Mr. Mulvaney: I think the hon. member is correct. Up to the moment, I don't believe there has been a water pollution charge against a pulp and paper company in the last few years.

Hon. Mr. Kerr: We are in the process right now, today, of serving two paper companies under The Environmental Protection Act and/or The Ontario Water Resources Act. I don't want to name them at this point because they have not been served yet. Re-

garding that document, as you know there were certain recommendations made by the authors of that document. We have, since its publication, been placing control orders on all of the companies involved. The reason, for example, that we're taking action against two companies is because those companies are in default under those control orders. In other words, as you can appreciate, it takes some time for a company of that size to install the abatement equipment, the necessary treatment facilities, to meet our standards of effluent discharge and emissions, so that over the period of two or three years, or the life of the control order, certain things have to be done and they have to be done on schedule. The report indicates that we've been behind, the paper companies are lagging and their excuse of economic problems in the market place, according to that report, is not justified. But we have acted on that report with these companies, particularly in the last eight or 10 months and hopefully they will all be within a control programme with definite schedules or prosecutions will be launched.

Mr. Godfrey: Thank you, Mr. Chairman, and I won't discuss that now because I believe that should come a little later on, the details of the report. I would appreciate, as a last question, if the minister would confirm to me that there have been no prosecutions—no prosecutions, never mind convictions—against any of these companies for water pollution since 1971? If he'd be good enough to give me that answer at the next meeting, thank you very much.

Hon. Mr. Kerr: All right. I'll have that information.

Mr. Mulvaney: American Can is a pulp and paper company.

Mr. Godfrey: Except for American Can, I'm sorry. Thank you.

Hon. Mr. Kerr: As long as we have that sometime early in the week.

Mr. Gaunt: I want to talk about methanol and its production from garbage. I mentioned this in my opening statement. And, just to put your mind at ease, Mr. Chairman, I'm doing so under the administrative services branch, system and EDP section, feasibility studies. I want to determine from the ministry if—

Mr. Biggs: Is this methane gas? A derivative of it?

Mr. Gaunt: No, it's not methane gas, it's a by-product or a derivative of methane gas; and apparently it has great potential in terms of an energy source, fuel for cars and combustible engines. I'm wondering if the ministry has done any feasibility studies in respect to this? I can see considerable potential for this kind of thing, particularly if it were marketed through a marketing board system, like we talked about yesterday. I think this could be done at the plant which is currently being built. Perhaps there could be some adjustments made in that to not only create some steam to run the generator but perhaps we could also incorporate a pilot project type of division within that plant whereby this kind of thing can be tested beyond its current stage.

The technology is here, as I've indicated, and I just wonder what the ministry is doing in this respect.

Hon. Mr. Kerr: You're talking about using it as a by-product for fuel for cars and other combustible engines?

Mr. Gaunt: And home heating, yes, it's combustible.

Hon. Mr. Kerr: We've been using it as gas for fuel in sewage treatment plants, in our heating digestors. Where do we get it from?

Mr. Sharpe: From the sludge.

Hon. Mr. Kerr: We've been getting methane gas from sludge and using it again for fuel in sewage treatment plants. Have we any studies going on at the present time dealing with that? I am just wondering, do you feel that that may be more appropriate in the Ministry of Energy? I don't know. However, I suppose we create the source here and we're using it, as I say, in our own sewage treatment plants. Do you feel that we should study it to the effect that it could be used generally in the market for automobiles? Heaven's sakes, what will that do to the petroleum industry?

Mr. Gaunt: As I said previously, I don't think that your ministry or any government for that matter should be placed in the position of protecting the oil companies. I'm not saying that we produce this product as a total replacement for fuel in cars and trucks and tractors and what have you.

What I am saying to you is that there could be enough of this product produced which would supplement the requirements for gas and oil and diesel fuel, and this has been done in some countries, Germany notably. We're not going to put Imperial Oil

out of business by this method. All we're doing is supplementing a portion of the energy requirements for fuel with this particular product. It seems to me if we can cut out requirements for gasoline and diesel fuel by 10 per cent or 15 per cent, that's a substantial saving in mid-East oil imports, particularly in view of the pressing situation with which we're faced now, and which is going to be even more difficult if the OPEC countries raise their prices, which they're apparently going to do on January 1.

All I'm saying to you is that I think this is a good possibility and if your ministry could work in concert with the Ministry of Energy in developing something of this nature, I think it would be very worthwhile. I just wonder what's going to be done about it.

Hon. Mr. Kerr: I agree with you, Mr. Gaunt. I think even if we stuck to industrial use, such as sewage treatment plants, reclamation plants, even water filtration plants, that won't, in respect to my facetious remark, upset the petroleum industry too much. After all, we're using waste paper and garbage to create fuel, there's nothing the matter with methanol.

I was just wondering, Mr. Williamson, could we add a module of some kind to our new reclamation experimental plant that could deal with this particular form of energy?

Mr. Williamson: Williamson, resource recovery branch, Ministry of the Environment: Yes, Mr. Minister, we have been looking at that particular aspect and also at pyrolysis as possible additional modules to be put at the plant. You may be interested, we have been working with the Ministry of Energy on this very subject. In fact, a seminar on the use of methanol and the production of methanol was held in Toronto a couple of weeks ago, where we had experts from various countries giving their views, including one, for example, from Volkswagen, who felt that by redesigning an engine they could use up to 50 per cent methanol with gasoline. We are certainly actively pursuing this.

Mr. Gaunt: I think it does have possibilities in the industrial area, where companies can burn their garbage and derive this product from it. I think in that sense it would be an internal device which could have great benefits. I see possibilities in agriculture for this kind of product, and I don't think we should be unduly inhibited by the fact that we're going to disrupt some of the market of the major oil companies.

I would encourage the ministry to try and refine this technology, which is available on a world-wide basis, to see if we can't get some fairly general application in this province.

[12:15]

Hon. Mr. Kerr: I agree. We'll follow up our studies and, as I say, once we have an opportunity to view that plant we can discuss this further. There's no question that this type of energy can be very valuable and from the point of view of cost saving in the operation of 159 treatment plants around the province it could be quite substantial.

Mr. Gaunt: One of the problems with recycling and dealing with garbage is the fact that we haven't been able to get the markets for a lot of this product, according to the minister. I don't think the effort has been put forth in that respect and I think more has to be done, obviously. That's one of the arguments the ministry has used, that's one of the arguments that the municipalities have used, and it seems to me that here is a product where, if one were to say that there was no market for it, you'd be laughed right out of the province. Obviously we've got a built-in market for you, a ready market, and it seems to me that that's certainly worth pursuing.

Let me shift gears now and go into another matter which I feel is really important from the standpoint of home heating, and that's the fact that nuclear plants like Bruce and Pickering produce tremendous amounts of heat. I'm told that at Pickering they could heat a town of 75,000 people with the heat and the steam that's generated from that plant. At Bruce G.S. about I think roughly a town of 200,000 could derive their home heating from that plant. At the moment that water is put in a great huge holding pond to cool off. If one goes up there any day of the week you'll see the steam moving off into the air and then when it gets cool enough it's pumped into Lake Huron.

I think there are great possibilities here and I'm wondering if there have been any serious studies. I know we all talk about it and we think it's a great idea, but really, in concrete terms, has the ministry done anything with respect to that, here once again in conjunction with the Ministry of Energy?

Hon. Mr. Kerr: Yes, it would have to be with the Ministry of Energy. One of the problems, of course, at our nuclear plants is the disposal of hot water into a lake or a receiving water and I could see where, as

the hon. member suggests, that may be piped by some type of communal system to an adjoining town site. Pickering would be the best example. Bruce is a little far away from a built-up area. I could see that being very valuable and I'd like to follow that up with the Ministry of Energy. Would you like to comment on that?

Mr. Godfrey: If I could, Mr. Chairman. That study has been done. A feasibility study has been done—I'm sorry, I pre-empted you.

Mr. Caplice: That's what I was going to say.

Mr. Godfrey: It was done in order to heat up Darcy's dream development up in north Pickering and has been shown to be a truly feasible thing. The only problem is we need it down in Ajax right now, not in the future, but it's quite feasible.

Hon. Mr. Kerr: Do you want to add anything to that, Dennis? Who's paying for it?

Mr. Caplice: I think Dr. Godfrey is correct. The study has been completed. The Ministry of Energy funded the study and it was done by outside consultants and it's shown to be, for X number of dollars, a feasible thing to harness some of the heat that is rejected from the Pickering nuclear station to possibly heat the homes that may ultimately be built in the North Pickering project.

It's a very difficult thing, though, to convert that amount of heat into the existing home systems in a town like Ajax where you've got a mix of oil and gas and other things.

Mr. Godfrey: It would keep the road clear of snow.

Mr. Caplice: Oh yes; there's tremendous quantities of heat, but you'd have tremendous quantities of water. You have billions of gallons of water and you have lots of Btus, and it's a matter of the engineering to harness that. The heat pump system looks like the best way to approach that.

Mr. G. I. Miller: Mr. Chairman, in that same connection could I ask a supplementary question in connection with the Townsend town site and the Niagara generating station? Is there not a study being made at this particular time in the same connection?

Hon. Mr. Kerr: That is not a nuclear station. Would that make any difference? It doesn't make any difference. The same thing could be done there.

Mr. Godfrey: Mr. Chairman, the Hearn plant puts hot water into the bay every day and that's generated there.

Mr. Gaunt: Okay, on legal services, Mr. Chairman, may I ask the minister what's the latest development on the Dow suit? Have we had anything new on that one? I mean, after all, "the polluter must pay" and I am wondering how we stand on that.

Hon. Mr. Kerr: As the hon. member well knows, that has been in the hands of the Attorney General since about 1972. The latest information I have is that the various examinations of pleadings and affidavits has been completed. The action originally included the American parent company. That has been stricken from the records. So we are just going against the Canadian subsidiary. It is in the hands of the Attorney General and I believe Mr. John Robinette is counsel. It is now a matter of setting the matter down for trial. I understand the necessary pleadings have been completed, documents have been served, examinations for discovery have been completed and it is just a matter of setting it down for trial. Every possible method of delay by the defendant has been used to frustrate getting this matter to trial, and that has been a very costly procedure. Of course, the hon. member knows, I think the present counsel is the third counsel. The matter started out with the present Deputy Attorney General when he was in private practice. When he again came back to the Ministry of the Attorney General it was given to one Charles Dubin, QC, who had it for a couple of years. He was appointed to the bench, he had to give it up, and now it is in the hands of John Robinette. So I have been assured by the present Attorney General that this matter is going to go forward. It's just a matter of getting it down for trial.

Mr. Gaunt: Is there any sort of time frame within which it might be thought that will happen?

Hon. Mr. Kerr: I would think that if you and I are in this room this time next year,

Murray, we will have some up-to-date information as to the success or otherwise of that case.

Mr. Godfrey: Are you taking any bets?

Hon. Mr. Kerr: We'll also know about the effect of all that sediment in the St. Clair River.

Mr. Gaunt: Mr. Chairman, the time is moving on. I wanted to get some information before we closed today, or at least ask the minister for some information, and with your permission may I do that now so that we might have the information on Monday? I wondered if I could get the minister to provide the date showing the levels of hydrocarbon content and PCB content of the Stouffville water supply, how often this was monitored and what were the results? Further, could I have the data which the ministry has in respect to the ministry's monitoring of the company's monitoring of that landfill site? The ministry monitors quarterly, I believe, I think the minister indicated that in the House the other day, and if I could have those results I would certainly appreciate it.

Hon. Mr. Kerr: Yes, fine. That will be available.

Mr. Gaunt: I am just wondering, Mr. Chairman, and perhaps we should have worked this out before we convened today. I am wondering in view of the fact that the other three votes are pretty major, pretty large votes is it the intention—and it would be my suggestion—that we pass the first vote today and divide up the remaining time on the other three votes?

Mr. Vice-Chairman: Shall vote 1901 carry?

Vote 1901 agreed to.

Mr. Vice-Chairman: We will adjourn now and meet again on Monday.

The committee adjourned at 12:25 p.m.

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SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
THE ENVIRONMENT

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Monday, November 29, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

MONDAY, NOVEMBER 29, 1976

The committee met at 3:48 p.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (continued)

On vote 1902, environmental assessment and planning programme:

Mr. Godfrey: On a point of order, Mr. Chairman, I wish to put my question again as to whether the questions which were deposited formerly with the committee have been answered as yet. Do we have any answers as yet?

Hon. Mr. Kerr: We have two of them here, one on deep well disposal—

Mr. Godfrey: I won't delay you, if you would just pass me the copies.

Hon. Mr. Kerr: —the one on milk.

Mr. Godfrey: The one on milk and the confirmation as to no prosecution? If you recall, during the last session, I asked if you would confirm to me that there had been no prosecutions of the mills mentioned in this article since 1971 until the Marathon one. I believe that was the date I gave.

Hon. Mr. Kerr: Can we give you that tomorrow?

Mr. Gaunt: Mr. Chairman, on the same point, does the minister have the information which I asked for?

Hon. Mr. Kerr: We'll have that tomorrow as well. That will be on the last vote so we'll have that in lots of time for you tomorrow. That's on—

Mr. Gaunt: Stouffville.

Hon. Mr. Kerr: Whitchurch-Stouffville.

Mr. Godfrey: I would also ask if we may read into the minutes the questions I've asked, dated November 22, having to do with the number of times the advisory level for air pollution has been exceeded in Sud-

bury, Windsor, Hamilton and Toronto; the number of occasions the Solid Waste Advisory Board has met during the past 18 months; the number, name and professional affiliation of each member and stipend paid for meeting.

The third question was on how many occasions during the past 18 months has an application for a sanitary land fill site been refused? If I can read those into the records, thank you.

Hon. Mr. Kerr: Can we have a copy of those?

Mr. Godfrey: I've already sent you a letter.

Hon. Mr. Kerr: That's fine because it takes a little while to get the Instant Hansard these days from committee.

Mr. Chairman: Shall we discuss vote 1902 item by item?

Mr. Godfrey: Mr. Chairman, I felt the arrangement the last time, whereby we ranged over the items and then had the vote, was satisfactory to me.

Mr. Chairman: Did you want to do the whole vote?

Mr. Gaunt: I think so. It concerns pollution in its totality and I think it would be logical to take the whole vote.

Mr. Chairman: On vote 1902, we'll discuss the whole vote. Mr. Wildman.

Mr. Bain: He's not here.

Mr. Chairman: I'm sorry, Mr. Bain.

Mr. Bain: Thank you very much. I'd like to raise three matters with the minister in this area of pollution and I would be quite agreeable to treat them in any manner the minister would like. Would it be all right with you if I dealt with the first item and you responded to that or do you want me to go over all three of them?

Hon. Mr. Kerr: What is this on?

Mr. Bain: I want to deal with three items in the area of pollution. One is Swastika's

water and sewage; two, Round Lake; and three, mercury in Lake Timiskaming. I thought if you were agreeable, I could deal with them one at a time and maybe we could exchange ideas rather than leave them and have you respond to them all at once. I am open to suggestions. Which way would you like to do it?

Hon. Mr. Kerr: You can carry on and some of the information will be gathered for me if I haven't got it in the meantime.

Mr. Bain: I like your answers better on your own.

Hon. Mr. Kerr: I will as much as I can.

Mr. Bain: The first one is something I know the minister is familiar with—we discussed it last March in your supplementary estimates—and that is the problem of pollution in the Swastika area.

You'll recall that at that time I mentioned that a large portion of the community was without adequate sewage and you promised to check into it. You felt they would have a reasonably good chance if they put in an application. A reason for the severity is that two communal septic tanks are not working, by admission of your own ministry's reports, and basically raw sewage is going into the Blanche River.

In other parts of the community, the cesspools and individual septic tanks are also not working and raw sewage is flowing out of the ground into ditches along the roads and highways, et cetera. I would like to know, if the minister would be good enough to give us an updating, where exactly is the application for Swastika's water and sewage? It's been submitted on behalf of the community and I'd like to know what its status is right now.

Hon. Mr. Kerr: That is—

Mr. Bain: Swastika is part of Kirkland Lake. It's in northeastern Ontario; Mr. Joseph, I believe, is the co-ordinator for that area.

Hon. Mr. Kerr: If I remember correctly, I don't believe that development is included in our estimates for next year. We are proceeding at the present time with field investigations in order to establish what we call an MBR rating. Apparently there are some serious health problems in the community as a result of lack of communal services. We're aware that because of the rock formation any servicing there is going to be rather expensive but we're proceeding with

getting a rating and with designs. We expect to complete design and complete engineering and, hopefully, the work can start sometime during the 1978-79 fiscal year.

That is the thinking right now. If it turns out that the MBR rating is exceptionally high—we're looking at 800 or between 800 and, say, 1200 which indicates that the wells may be contaminated or that there is an overflow of sewage in the event there are septic systems or this type of thing—we'll have to advance that. We'll have to attempt to find the funds in order to advance that project, based on that rating. There are certain things which have to be done before we can contract the work out as you appreciate. One may be an OMB approval. In the event that that isn't necessary because of our rather generous financing arrangements we may, as I say, have to advance it to the next fiscal year rather than the 1978-79 fiscal year.

Mr. Bain: The reason I bring it up is, as the minister has indicated, there is a real health hazard involved. There are other parts of Timiskaming where you had water and sewage facilities on the drawing board, so to speak, and when the restraint programme came in these were removed. In those other communities there is not quite the same dire need because here there is a real health hazard. I'm sure the Timiskaming health unit hasn't taken action simply because it doesn't want to have to throw people out of their homes. As I say, there is raw sewage that flows right down into ditches along the streets and along the highway; what I'm afraid of is that there is a real possibility of an epidemic there in the summertime. It's been getting worse over the last few years, instead of better.

Hon. Mr. Kerr: What is the population of Swastika?

Mr. Bain: The population of Swastika, I would say, is approximately 600 people.

Mr. Mancini: Marv Shore has never been to so many estimates.

Mr. Chairman: Order, please.

Hon. Mr. Kerr: I think I've had correspondence with you about this.

Mr. Bain: Yes.

Hon. Mr. Kerr: As I say, when we have some more information regarding our design and the MBR rating, I'll get back to you.

Mr. Bain: Okay. Thank you very much.

The second item is in the same area; it's Round Lake. We've exchanged a couple of letters on Round Lake. The problem there is that there are cottage developments around the lake. It's quite a pleasant lake; it has been used for a considerable length of time for recreation. But over the years there has been an increase in the amount of algae blooms. In fact, the problem of sewage for Swastika is connected, because the sewage from Swastika eventually gets into Round Lake.

The ministry has been monitoring Round Lake, and I was wondering what the results of that monitoring have been and what you see as kind of a long-term strategy for rescuing Round Lake. As I say, there are a number of cottage communities there, and they've enjoyed Round Lake for quite some time. As I'm sure you can appreciate, they don't want to see their summer recreation deteriorate to a point where it can't be used any more.

Hon. Mr. Kerr: As you know, we had a sampling programme carried out during the past year. This involved local citizens. Some of the tests are relatively straightforward and simple; you don't need a technician or a scientist to do them. One of the problems, as you say, is algae, chlorophyll and the weed that develops from that, which not only makes the lake difficult to enjoy but, because of the degree of nutrient enrichment, it affects the water generally that might be used either for drinking or any other purposes. We have received samplings as a result of this programme this summer.

Through literature to the citizens of Round Lake, we have indicated how they can minimize the problem; for example, the type of detergents they should use and that sort of thing. Hopefully, by our inspecting and correcting defects in their septic systems, whether they involve domestic runoff from their sinks, say, or whatever toilet facilities they have, as well as by collecting information through this sort of self-help programme, we can find exactly where these problems are and correct them.

Mr. Bain: Could you make available the results of the sampling that was done this summer? Also, how much of the problem do you think is caused locally by the cottages and residences around Round Lake, and what proportion do you think is caused by sewage that goes into the Blanche River in Swastika? Thirdly, is there any sewage that's still getting into Round Lake from the sewage

facility for Kirkland Lake, which was installed a few years ago?

[4:00]

Hon. Mr. Kerr: We think at least half the problem is because of sewage in the Blanche River. There is no question as you have said, that the project is needed in that township. Until that nutrient, the phosphates, coming into the Blanche River and into Round Lake is minimized, that problem will exist.

Without being really accurate as to whether it is 50-50 or 60-40, there are some problems with individual domestic treatment facilities there. That, of course, has to be corrected and it has to be corrected on an individual basis by sort of dealing with both aspects: One by way of a communal system, and one by way of individual correction. Hopefully, the weed problem basically and the phosphorous problem basically can be reduced substantially in Round Lake. I can get you that information, the result of any statistics we have as a result of this summer's programme.

Mr. Bain: Are any of the problems in Round Lake traceable to the sewage plant in Kirkland Lake?

Hon. Mr. Kerr: I am not aware of that. It could very well be. It may be hard to separate what is coming from the Swastika area and what is coming from Kirkland Lake.

Mr. Bain: Kirkland Lake had a sewage plant put in a few years ago and it was supposed to prevent any more sewage from Kirkland Lake going into Round Lake. Could you have your officials check and see if, at times of overflow or something like this in the sewage plant in Kirkland, discharges are still going into Round Lake?

Hon. Mr. Kerr: Mr. Fry, do you have any idea of whether or not Kirkland Lake is a problem?

Mr. Fry: No, I haven't any information on that. I could attempt to get some before 4:30 p.m. if you would like.

Hon. Mr. Kerr: What type of plant is it? Is it primary treatment?

Mr. Fry: I am sorry, Mr. Kerr; again, that is not the programme I am specifically involved in. I don't have any details.

Hon. Mr. Kerr: It shouldn't be a problem if it is a secondary plant, unless it lacks phosphate removal of some kind. It must be a relatively new plant, isn't it?

Mr. Bain: Yes. If we could have some of that information I think it would be very helpful to the people of the area. When you referred to Swastika and you made the connection between Swastika, Blanche River and Round Lake—and it is a valid connection—it brings me back to ask, when do you see that study being completed as to the desirability of Swastika's position? I was thinking, because of the severity of the problem, could we not have that study done perhaps more quickly than normally might be the case?

Hon. Mr. Kerr: That should be done in a matter of weeks. It is a matter of getting at it—to establish the MBR rating you mean? What priority the project should have?

Mr. Sharpe: I wouldn't think there would be any delay in getting the project rated. The question is how soon we can get at that particular project. The minister has indicated that the engineering will go forward and that will be the first step to deciding how the project will go.

Mr. Bain: Okay. As soon as that information becomes available to you will you share it with us? I would appreciate the minister making available any information he has on Swastika and Round Lake as it becomes available to him.

Hon. Mr. Kerr: Yes.

Mr. Bain: The other area is Lake Timiskaming and the mercury in Lake Timiskaming.

As I'm sure the minister is aware, we have exchanged a number of letters on mercury contamination in Lake Timiskaming. I would like to know basically what sort of programme the ministry has to overcome the problem, in particular in Lake Timiskaming. What sort of goals do you have in mind? When do you think you can achieve them?

Hon. Mr. Kerr: As you know, the problem with mercury—wherever it's a problem, whether it's the English-Wabigoon, or St. Clair, or any other part of the province—is it's something that really was created over a period of time up to the time when it was discovered. In other words, you discover that mercury is contained in certain species of fish at a certain level; it may be safe or unsafe. The readings in Timiskaming don't compare with some of the other parts of the province where—

Mr. Bain: That's small consolation!

Hon. Mr. Kerr: I realize that, but you're looking at a long-term remedy here and I think the question of the source is something that we have to look at.

There's a claim, of course, that there is a natural source of mercury in certain areas of the province where we can't identify a specific source. We have reading mercury levels in some species of fish miles from where there is any known source—or man-made source, shall we say, or man-created source.

For example, some of these old mine tailings areas are a problem; I'm hoping I will be getting some money from the newest lottery that we have in this province to apply to cleaning up abandoned mining areas. Where we can't really identify the owner, or the owner is no longer in business, or he's no longer in the province, rather than attempt to pinpoint the blame, these funds can be used to clean up these areas—to stop the leaching, to remove the mine tailings to a safer location and, hopefully, this will in fact have some effect on the mercury levels or certain other forms of contamination in fish that we're getting at the present time.

Whether or not we should get into dredging sediments from the bottom is still very controversial. One school says we should leave them alone because they will form a hard crust which will not, therefore, further contaminate fish. Other people say the only way to reduce the levels in the fish is to get rid of the sediments on the bottom. There are some experts on both sides and this, of course, is a point that's involved in the Dow case.

In any event, there's a long-term remedy here, rather than just analysing fish, keeping our fingers crossed and hoping the levels will go down because we have eliminated the industrial or commercial sources. We know there is a possibility that abandoned mines may be a continuous source and that source may have been in existence for a number of years. It may be the original cause of the problem.

Mr. Bain: This is my immediate concern with Lake Timiskaming. At some points in our correspondence you did indicate what you've said now. Then at other points you've taken the other line that it was impossible to indicate that there was a specific contributing source. In the case of Lake Timiskaming it's Farr (Mill) Creek and if you look at the mercury sediments study done in 1975 by your ministry you will find that of eight waterways going into the lake only

Farr (Mill) Creek had a significantly high level. The average was 0.6 parts per million and usually in sediments a significant level is 0.3.

This and other things you have said and echoed today led me to indicate that would be a good place to start. What was bothering me was that you mention in a letter dated November 4 that Farr (Mill) Creek is not currently contributing mercury in significant quantities to the lake so I was beginning to wonder if you were not going to pursue Farr (Mill) Creek.

The problem with Farr (Mill) Creek is that the mercury has already been leached down to a significantly low level—mean low in the sense of the water table; in the sense of the horizon of the soil—and it's collected in the channel of the creek and in a delta of the creek. One of the things I would like to see done is a dam or a collecting area constructed so that no further leaching of mercury could get into the lake from that creek; and perhaps dredging of the delta to make sure that no more mercury was contributed to the lake.

What are your thoughts on attacking the problem of Farr (Mill) Creek?

Hon. Mr. Kerr: I think Farr (Mill) Creek, in spite of what I said in November, is still a problem. The levels there are still higher than we want to see them and, as I indicated, we think they may be attributed to mining activities up the creek. If those are active mines, again, we want to make sure that it isn't the leaching which is the cause of problems. If it's a question of an abandoned mine and leaching again we hope to do something about that.

Mr. Bain: I don't want to mislead the committee. You didn't say definitely that it wasn't Farr (Mill) Creek. It was just that you seemed to be taking a different turn in comparison to what you had been saying about a month before.

Hon. Mr. Kerr: I think it's still—the top level, the maximum level, was still above the 0.5 parts per million which we consider a safe level.

Mr. Bain: Would you consider doing a fairly short-run study? I don't want one that's going to go on for quite a long time, but make a decision. I think the decision should be that a dam or catchment area be built on the creek and that the delta itself be dredged. Do you think we could have some definite answers on that?

Hon. Mr. Kerr: I'm hoping I'm going to have a decision on this programme before this House prorogues in December. It's a matter of inventory of those areas where there are mining operation problems, whether it's in the Timmins area or the Moira River or some other spot up north. We're going to inventory those areas where we know there are mine tailings—the money we're going to get will be allocated for that purpose so that the programme can move ahead with some dispatch.

[4:15]

Mr. Bain: You mentioned reclaiming the tailings areas themselves. In the case of Cobalt, the mines which contributed to the problem of mercury have long since disappeared. They had a very primitive method if you compare it to today's method. Most of the mercury was placed there in the 1910s or 1900s and they used mercury only for a short time in the smelting process. Tremendous quantities—tons and tons of mercury—were used and escaped. Obviously it wasn't a very efficient process and they didn't use it for too many years. While they did, an awful lot of mercury was wasted, got into the soil, flowed down to the rock level then flowed along the rock into the tributaries of Farr (Mill) Creek and finally right into Lake Timiskaming. One thing I think you'd find if you started to reclaim the mill sites, not just the tailings but actually the old mill sites themselves, is that you probably would not pay for the entire operation but you certainly would make a considerable amount of money.

Last fall we went to a site where there had been a mill and even today there are still globules of mercury in the soil, so it's still there in quite a quantity. If you would consider doing something about Farr (Mill) Creek, you would stop any more leaching into the lake, and even if you don't reclaim the actual mill sites right away, at least by attacking the problem of Farr (Mill) Creek you'll prevent any further leaching of mercury into the lake.

Hon. Mr. Kerr: I was handed a note here that Dr. Jewel who is a Swedish expert says there are 100,000 metric tons per year of mercury descending on the earth's surface through degasification of the earth's crust. We may be fighting a losing battle here. Who knows?

Mr. Bain: I would wonder why so much of it happened to descend on the delta of Farr (Mill) Creek.

Hon. Mr. Kerr: I think it's because we have such a sophisticated efficient monitoring and testing programme. I'm sure we never hear much about mercury in Quebec. I don't think they've got a programme where they are really trying to find it. We've got scientists running all over the place testing.

Mr. Makarchuk: On that same point, if I can intervene, I heard a broadcast from Quebec where they have supposedly devised a new process of extricating the mercury from the streams. This is by using some kind of vegetation. Have you heard anything of that? Are you aware of this new development? I think it was developed by Laval University.

Hon. Mr. Kerr: I think it's a kind of sludge.

Mr. Makarchuk: No, it's a type of vegetation which has the ability to absorb mercury out of the water stream. They intend to use it. It is apparently an effective and efficient absorber of the organic or inorganic mercury, whatever it is.

Hon. Mr. Kerr: Let's hope it's cleodorra. We don't have any problems in Round Lake. It's only weeds.

Mr. Bain: When do you expect some sort of battle plan on Farr (Mill) Creek, for example?

Hon. Mr. Kerr: As I say, early in the new year.

Mr. G. I. Miller: I'd like to discuss the Canborough deep well proposal in my riding. In my discussion with the minister, the impression conveyed to me was that Cambrian Disposal had the backing of the ministry in the project at this point in time. I wonder if the minister would care to make a statement on that?

Hon. Mr. Kerr: Did you say, Mr. Miller, that we had approved the proposal for the well in Canborough?

Mr. G. I. Miller: I said I just get the impression that the ministry is backing Cambrian Disposal.

Hon. Mr. Kerr: Do you mean financially or morally?

Mr. G. I. Miller: Either way.

Hon. Mr. Kerr: I think the best way to answer your question, Mr. Miller, is, first of all, as I mentioned here before, this matter is before the Environmental Assessment

Board. It is sort of sub judice to some extent in that the ministry should not be commenting on something that is before the board. In a situation like this, as in most or all applications before the Environmental Assessment Board, a company makes a proposal for the disposal of waste, whether it's industrial liquid waste or domestic waste. The proposition is made to the ministry and unless we see some very obvious problems or defects in the proposal and we have no objection to the proposal, it's then that that company has to satisfy the Environmental Assessment Board. We don't take sides at that stage.

We realize that there is a problem involving industrial liquid waste disposal sites. We haven't got enough of them in the province. There is still a certain amount of illegal dumping going on directly into some of our streams and creeks and down manholes and we're very concerned about it. Therefore we have to have approved facilities in order to handle this type of waste.

All I'm saying at this point of time is that when that hearing reconvenes in January, our ministry officials will be there to answer any questions and give whatever information we have about the proposal. The company has to do the same thing. There will be questions asked by any interested citizen at that hearing. Then, with all this information, technical and otherwise, the board has to consider the transcript of the evidence and then come to a decision and make a recommendation. It then goes to my ministry where we have to consider the recommendation of the assessment board.

This is something we're doing in respect to many applications before the board. We have them almost on a weekly basis. There is no question of taking sides, of working with the company against anybody, or anything like that. We're there to provide what we feel is independent, unbiased information about the proposal and the people in our technical branch, of course are required to give that evidence before the board hearing in a public forum.

Mr. G. I. Miller: Thank you. I hope these remarks are correct. As a member of the Legislature and member of the Liberal caucus, I would say that we realize there is a problem and that we would like to give some assistance and perhaps some input into resolving this problem. I assure you, Mr. Minister, that I would like to co-operate to the fullest in this regard.

However, I think you are aware that there is a lot of public resentment to it, and justifiably so. I would like to say at the outset

that when I did go to you to ask for some assistance from your ministry they did co-operate. I would hope that they will work on behalf of the people as well as the industry itself.

It brings us to another question, the fact that these wells are abandoned gas wells, I believe. Is it proper to discuss this further under the circumstances?

Hon. Mr. Kerr: I wish you wouldn't, not in any specific way.

Mr. G. I. Miller: There are a couple of areas I would like to clear up. Are they abandoned gas wells?

Hon. Mr. Kerr: Ed, do you have the answer for that? This is Mr. Ed Turner of my ministry.

Mr. Turner: The well in question was drilled as an exploratory oil and gas well, and is now abandoned. It's actually plugged as required by the Ministry of Natural Resources in its regulations.

Mr. G. I. Miller: Did it produce any gas then?

Hon. Mr. Kerr: Not a heck of a lot I wouldn't think.

Mr. Turner: I don't have any real detail. I understand there was a tiny bit of gas, but not enough in commercial quantities.

Mr. G. I. Miller: What kind of chemicals will be put—

Hon. Mr. Kerr: That's the type of information that would be made available at the hearing. As I explained before, knowing how these hearings are held and the process of these hearings, should any information come out at the hearing that you may feel that people should have a chance to look at and study, and not be taken by surprise, sufficient time would be given, either by way of adjournment of those hearings or reconvening at a later date. But all the information in detail regarding the type of material that will be deposited in that well, in the event that it's approved, will be made known by the company—and by the ministry, in the event that the company is not asked that question.

Mr. G. I. Miller: What is being done at the present time with this type of material then?

Hon. Mr. Kerr: At the present time, I believe, some of it is taken to another well, isn't it? Or to the Beare Road site? Is that correct, generally?

Mr. Turner: That's correct, yes.

Mr. G. I. Miller: Are we doing anything at the ministry towards having any experimental programmes for disposing of this by recycling?

Hon. Mr. Kerr: There are some plants that are recycling their own liquid waste. For example, the plant in, I believe, Sudbury—Inco—does a certain amount of recycling. Do you want to enlarge on that, Ed?

Mr. Turner: There are plants that are recycling certain types of waste and certain wastes are being used for other uses such as phosphorous removal in sewage treatment plants. But other than that, there is a very limited application of recycling at the moment.

Mr. G. I. Miller: Can they be?

Hon. Mr. Kerr: If I could read some of the— Mr. Godfrey has asked certain questions about our general programme of industrial liquid waste. It might give you some of this information that applies generally to disposal of waste of this kind. But the main concern is the potential for polluting potable ground water sources. In this regard, the following factors are evaluated: Stability of geological formation into which waste will be injected; location of any known geological faults in the vicinity of the proposed location; isolation of the formation—that is, is it adequately sealed from the surface—the design of the well to ensure maximum protection to potable waters; design of surface facilities to ensure minimal risk of spills and environmental damage in the event of a spill; and the materials of construction of tanks, piping, et cetera, all have to be made known.

With respect to the operation of the well for disposal purposes, conditions and requirements are imposed which are designed as safeguards against environmental degradation. A limitation is placed on the maximum operating pressure to ensure that the anticipated fracturing pressure of the formation is never exceeded. Operating pressures are required to be automatically logged and the data are to be submitted to the ministry as required. A monitoring system capable of detecting leakage in the injection tubing is required—this is normally accomplished by continuous pressure monitoring of the annular space between the injection tubing and the well casing which is filled with an inert fluid. A continuous monitoring programme on fresh water wells in the vicinity of the

proposed well must be developed—if no wells exist the proponent may be required to develop wells, in other words, water wells, to monitor fresh water supplies or in some cases, an acceptable alternative may be the monitoring of oil and gas producing wells in the vicinity of the disposal area. An automatic shutdown system which will shut down the injection pumps should leakage occur must be provided.

There's an awful lot of other stuff here, but I would be happy to give you a copy of this letter. The safeguards are numerous, however, and that's why we in the ministry have accepted the principle of deep-well disposal. The possibility of anything going wrong then is very remote.

Mr. G. I. Miller: The safeguards perhaps are numerous, Mr. Minister, but it's the red tape involved—if something does go wrong, it's a real concern. In face of all this, and perhaps after having a hearing and things still point "go" and the people are still not satisfied, would you in your position, still support it in the face of opposition from a particular area?

[4:30]

Hon. Mr. Kerr: That's a hypothetical question. Again, we are getting back to the particular project, it's really not fair and proper that you should be asking these questions. An awful lot will depend on the results of the Environmental Assessment Board hearing and that board's recommendation, and I don't want to prejudge that at all now.

Mr. G. I. Miller: Would you give any consideration to Bill 160, which was introduced by my colleague, the member for Windsor-Walkerville (Mr. B. Newman), making the suggestion—

Hon. Mr. Kerr: Yes, we really have considered the idea of the ministry getting into the construction of plants of this kind. I feel, first of all, that private enterprise can probably do a good job in this field under our monitoring and supervision and surveillance. You are talking about a whole new programme that could cost millions and millions of dollars, and you know we are having trouble these days finding enough money to build water and sewage plants.

Maybe the better remedy is that the companies that generate this waste should be required, before they start in operation, to satisfy the ministry that they have a method of disposal that is adequate and acceptable to the ministry. In other words, if a company like Petrosar is going to generate waste, be-

fore they have a permit to go ahead and operate as an industry, one of the things they must have, as well as jobs for male and female employees, is a programme of adequate disposal of any waste that company may generate. If that responsibility is on the company by way of legislation, then they will be required to find some outfit or company to treat the waste and dispose of it safely, rather than the government getting into a very expensive new programme. It may have to be a combination of both.

I don't have in mind at this point to provide some incentives and some encouragement for more people to get into the business, but if you know the history of industrial liquid waste, the companies that are in existence today are having a hard time to comply with our regulations and make a reasonable profit. As long as we allow landfill disposal of industrial liquid waste, in my opinion the plants won't make an adequate profit to keep in operation. But every type and method is being considered and, I think, is in operation in one form or another right now. The Tricil plant in Mississauga, for example, although it really can't handle all types of waste, and is in some trouble because of that—that type of pre-treatment, coupled with deep-well disposal, may be a method of disposal. We have plants in Hamilton and in St. Catharines that are handling the whole destruction process at that plant. They are complaining that they are not getting enough customers. It's somewhat like sanitary landfill; as long as—

Mr. G. I. Miller: How do these plants operate at the present time? Are they handling liquid waste?

Hon. Mr. Kerr: They are handling liquid waste.

Mr. G. I. Miller: And recycling?

Hon. Mr. Kerr: Not every type; it depends on the toxicity of some of the waste. Some of them are recycling. Markets for the recycled products are another question they have to be concerned with. But as far as Mr. Newman's bill is concerned, to get back to your original question, we are not dismissing that answer or remedy by any means. We have considered it, but hopefully we can find other methods that don't involve the provincial government in such an initial expenditure.

Mr. G. I. Miller: How many plants are recycling at the present time? Do you have that? Private companies?

Hon. Mr. Kerr: This is really on another vote but we can do it, I guess. The chairman went to sleep a little while ago. There is a Tricil plant, as I mentioned, in Mississauga. There is a company in St. Catharines, the D and D group. There is also Ontario Liquid Waste Disposal Limited in the region of Hamilton-Wentworth. I guess that is all I have listed here but I know there are more of them. There is Interflow Systems Limited, in Hamilton; another company.

Mr. G. I. Miller: Do they recycle it and reduce it?

Hon. Mr. Kerr: Not all of them. Some of them do. I think the plant in Hamilton is doing a certain amount of recycling of spent oils, for example. There is some sale of that to municipalities for other uses.

Mr. G. I. Miller: Does Tricil Limited reduce it to any degree? How does their operation work?

Hon. Mr. Kerr: You might explain the process of Tricil in relation to ultimate deep-well disposal. What does Tricil do with some of the toxic wastes?

Mr. Turner: Mr. Chairman, Tricil operates two generators in the province, one in Mississauga and one in the Sarnia area. It also operates a landfill site designated for industrial waste in the Sarnia area. It also operates at the present time a disposal plant in the Sarnia area.

Mr. G. I. Miller: Is there any reduction? Is it a reducing action or is it just—recycling indicates that there has to be a reduction in the quantity but is that the case?

Hon. Mr. Kerr: What they are doing is incinerating and there is also a lagoon process for treatment. The incineration is the type of treatment that reduces the toxicity of certain liquid wastes and from there, there may be a type of deep well disposal. In other words, it is not completely destroyed whereby it can be recycled or put down an ordinary sewer system; because there is some degree of toxicity left, you require some other type of disposal.

Mr. G. I. Miller: Then in your opinion, it is not possible to recycle it from the resources built up at this point in time?

Hon. Mr. Kerr: I will ask Mr. Turner but recycling is only in respect to certain products which are reusable or marketable; isn't that correct?

Mr. Turner: That's totally correct.

Mr. G. I. Miller: How many sites—you mentioned the lagoon type—of waste storage, industrial storage do we have in the province?

Hon. Mr. Kerr: Do you know how many plants have lagoons? I think that certainly the ones in the Sarnia area, Moore township, Goodfellow, have the lagoon process. Tricil has a lagoon, I don't know if there are any others.

Mr. Turner: Yes, there is a company in the St. Catharines-Niagara area which has a lagoon. Most of these lagoons are for reclaiming waste oil.

Mr. G. I. Miller: There are just two then? One in Sarnia and one in St. Catharines?

Mr. Turner: Yes, to the best of my knowledge. There may be some other small ones around that I am not aware of.

Mr. G. I. Miller: Are we exporting it at the present time—some of this industrial waste?

Mr. Mancini: Sell it to the Arabs.

Hon. Mr. Kerr: It seems to me that some of this waste is going to an American plant in the Niagara Falls area for treatment. There was until a few years ago, certainly. Some of it is being shipped over the border into northern New York. Chemtrol is the name of the outfit there. But it's not something we want either to import or export to any degree.

Mr. Godfrey: I had understood that this is now being put in a sanitary landfill site. There was a statement by the general manager of the company that pointed out the urgency of having the Canborough well approved because this is at present being dumped into a landfill site. Is this not so?

Hon. Mr. Kerr: In northern New York?

Mr. Godfrey: No, in Ontario.

Hon. Mr. Kerr: Well, there is the Beare Road site.

Mr. Godfrey: Is this where this industrial waste is going now—into a landfill site?

Hon. Mr. Kerr: Just some of it, yes.

Mr. G. I. Miller: I think one of the members of the committee would like to speak. He has to leave. He thought he was on

second. I would yield if I could come back to this point if it is not going to be much inconvenience to you.

Hon. Mr. Kerr: We will be dealing with it extensively under vote 1904 anyway.

Mr. Lane: I certainly appreciate the hon. member letting me in. I have a meeting that I didn't know I was supposed to be at; I'm already half an hour late. I do have some concerns under this vote, Mr. Minister, and I will be very brief.

The radiation in the homes in Elliot Lake—because they were built on outcropping of ore or whatever the cause was—has frozen all construction there, I believe. I understand the survey is pretty well finished and yet I don't think we're moving on any of the building programmes. We have a tremendous housing problem in that area as you are probably aware. Could you tell me anything about this high level of radiation in the existing homes and how likely we are to be held up much longer in the building programme because of it?

Hon. Mr. Kerr: As you may know, there is a quartz vein that goes through the townsite of Elliot Lake and geologists believe it extends under the area in which some of the residential expansion is planned or is partly under way. As a result of that, we have stopped the construction that we were involved in in Elliot Lake. I believe there was a senior citizens home up there and we were involved in a subdivision.

Most of the development going on is either financed by the community itself through the CMAC or the companies, but all the development has been stopped at the present time. I think in many cases it wouldn't be under way until the spring anyway pending this study and door to door survey by the Atomic Energy Control Board.

The latest report we have was issued on November 22. Preliminary findings on a house to house survey indicate that 10 out of 490 properties examined the first three weeks of the programme require interim remedial to lower the level of contamination by radon gas. Then another 400—about one-third of the remaining 480—require further investigation.

The report indicates really that the situation isn't quite as bad as originally anticipated. Some of the homes that were vacant in the area were shut down. There was no ventilation. Those are the homes that had the high level readings. When there was forced ventilation they found that the readings went down.

But, as I say, this is an interim report we have from AECEB and they will be finishing their complete survey hopefully by the end of this year.

I think the report indicates that a lot of this is due to nature, and it may be difficult to find any remedy for that.

[4:45]

Mr. Lane: I understand that in new buildings you can ventilate, at least, to help the situation. Can you do that in old buildings as well? In existing buildings?

Hon. Mr. Kerr: Yes. It may be that some of the areas that are at present earmarked for development will have to be changed. It's not the whole town that is affected. It just seems to go right through the middle of the town, a distance of half a mile or so wide. It may mean the townsite will have to be moved out of the township area, rather than the present location.

Mr. Lane: I understand the local municipal council discontinued any building permits until after it is cleared up, so I assume there have been no permits issued at all.

Hon. Mr. Kerr: Yes.

Mr. Lane: Certainly we have to be careful about where we are building—that's for sure. We got into some problems in Elliot Lake through not being careful enough over the years. But the housing programme is bad there and I just hope that the housing will not be held up longer than necessary.

I was very pleased to hear you say that you hoped to get some funding from the provincial lottery to remedy another situation, and I assume that you should be getting some for this purpose, because it is a health-related problem. That is the quality of the drinking water in Elliot Lake and in the north shore area that is fed by the Serpent River. I understand that there have been some reasonably high tests of radiation in the Serpent River. There has been considerable concern expressed to me, and certainly I have some concern for the people along the north shore and especially the Indian reserve at Cutler, because of the seepage there. Do you have any comment on that, Mr. Minister?

Hon. Mr. Kerr: The information that we have is that as far as the drinking water for the town is concerned, it is within our requirements—three picocuries per litre. One area that we are a little concerned about is the lower part of the Serpent River where there is an Indian reserve. Some of the wells have had some high readings. This survey

is being conducted by the federal government and hopefully we will be involved in a communal water system during the next fiscal year in that area. That will solve that problem.

But, for the most part, the treatment facilities we have for the town of Elliot Lake's drinking water supply—it's free of contamination. Other populations of the Serpent River basin have been investigated, and in all but two cases the analysis is acceptable. One area that isn't is the village of Serpent River where it's a little high—it's about 4.5 picocuries per litre instead of the three. You might be aware that the federal standard is 10, so it's higher than ours. Even though we're lower than the federal standard we are taking measures to correct that. We can use chemical water softening facilities on an individual basis, at least in the meantime, until we get a system built in there. And the other is the one I mentioned—the Serpent River Indian reserve.

Mr. Lane: Thank you very much, Mr. Minister. I would like to speak further on that but I don't have the time.

There is just one other question, Mr. Chairman, if you will allow me at this time and then I will be out of your hair. It doesn't deal with this particular problem but I think it's maybe under pollution control planning—the question of returnable and non-returnable bottles. I am getting a lot of the little corner grocery store people coming to me and saying, "How is it that we have to take back the bottles that are bought at the big chains and, while we have to pay cash for them, our distributor comes along and gives us a credit for the next order, with the result that we are sometimes out of pocket this money for a very long period of time?"

I am just wondering if you are considering any kind of handling fee or something that would help these small businesses to be able to balance off the hardship they are suffering from having to buy these bottles from all the kids on the street, paying out the cash and then having to wait a period of time to get something for their cash. It also takes up time and considerable space in the store. I don't know why but apparently, from what I am hearing, mother or dad does the shopping at the supermarket and buys the pop, but when the kid takes the bottles back, he takes them back to the corner store. It seems to me to be creating some problems.

Mr. Yakabuski: They buy them in the city and want to haul them up to the little guy in rural Ontario. Metro penny-pinchers. That is the problem.

Mr. Makarchuk: They haul them all the way to Barry's Bay, don't they?

Mr. Yakabuski: They want to unload them on our little merchants.

Hon. Mr. Kerr: There is no question that we require the co-operation of a lot of people. We must have the co-operation of the distributor and the retailer, as well as the customer. If, as you say, people are buying their pop in returnable bottles from the chain store when they are buying their week's groceries or something and the kids are taking them back to the corner variety store during the week, if that is done in any great volume, it does create some inconvenience to that merchant.

We didn't see any other way of avoiding the mandatory requirement that merchants must take back a certain number per day of the kind, flavour and product that they sell. In other words, if they sell 7-Up in 16-ounce bottles, they have to take those empties back when they are brought into them up to a certain amount per day; I think it is 48 for a 24-hour period or something like that. That was the only way. It is hard to give the merchant the option that he only has to accept what he sells, because how many merchants know who they sell pop to and in what quantity? The only thing we could do, as I say, was to stick to the kind, the size, the product and the flavour.

As far as handling is concerned, this is something that we are considering. This is something that has been proposed to our waste management advisory board by the retailers' association. We were out in Alberta last winter; as you know, they have a deposit system out there. The government also got into the setting a handling fee, and the minister said to me, "For God's sake, don't get into that." That is something that really should be adjusted and provided for by the industry itself in its pricing fluctuations or what have you; otherwise, the government gets blamed because the cent-and-a-half handling fee, for example, gets added on to the cost of the pop.

Mr. Lane: I can appreciate the problem whichever way you do it, but I don't think there is any way the little corner stores can refuse to take these bottles and still keep a good relationship with the neighbourhood. Obviously many of them think they are being overwhelmed by a lot more bottles than they are selling, and it seems to me the only way we can do a fair job with those people is to give them a handling fee. I know I hear fewer complaints now from the people who

are collecting the retail sales tax since we started to give them three per cent of the collection up to \$500 a year, I believe it is. If something like that could be worked out, where there was a maximum so that there wouldn't be anybody making any profit on this thing—simply to defray their cost, that is all I am saying—that I'm sure it would want to be controlled so it wouldn't be abused. I'm wondering if the handling charge would be the fairest way in the long run. In my riding I have a lot of little stores and they know, I think, that they are being penalized at the moment. How long this will last, I can't tell you.

Hon. Mr. Kerr: We'll look at that. As I say, this has been suggested to us. If we're going to move to ban non-returnable bottles, for example, some day there are going to be more returnables to handle, more returnables for the merchant. Whether that entails more help or more storage space, I don't know, but there's no sense in us bringing in all kinds of regulations and talking about a programme to reduce solid waste if the people involved in this whole distribution system aren't happy. If the merchant doesn't like taking back empties and there's nothing in it for him, the programme won't succeed, so we have to look at that sort of thing.

Mr. Lane: Thank you very much. I hope you give some consideration to my friend who's allowed me to get on ahead of time.

Mr. Makarchuk: Mr. Chairman, I have a few items I wish to raise and one of them was the discovery of Dechlorane in the samples taken from the Speed River. That happened some time in the last week or so. The Speed drains into the Grand and eventually into Lake Erie; what assurance can you give that the people who take the water from the river, particularly in the city of Brantford, are not affected by this chemical?

Hon. Mr. Kerr: The information I have is that Mirex, in the event there is Mirex in the water, or Dechlorane, as in the case you're talking about—

Mr. Makarchuk: This is a case of plastics at Cambridge—

Hon. Mr. Kerr: With water treatment, with proper water filtration which, I am sure, exists at Brantford that is not of concern as far as the drinking water supply is concerned.

Mr. Makarchuk: In other words, are you saying if it is in—

Mr. Biggs: Mr. Minister, the sampling was completed last week. The analyses are being completed this week and being double-checked and they should be available by Friday or early next week on both the Speed and the Grand rivers.

Mr. Makarchuk: As far as you know at this time it is in the Speed River and it has rather—

Mr. Biggs: We wouldn't say that at all at this time.

Hon. Mr. Kerr: The reason the survey was done was a plant in, I believe, the Preston area, wasn't it? —it's in Cambridge now, anyway—

Mr. Makarchuk: Right.

Hon. Mr. Kerr: It had used this product some years ago. It turns out that the amount, the quantity used was not as much as originally reported, we credited that firm with handling more than it actually did. That was a result of correction by the firm itself in looking at its own records. It's a question of whether or not, first of all, there was any leaching from the plant.

Mr. Makarchuk: My understanding is that the chemical has been detected in the Speed River, that you know it's there and that your laboratory technicians have acknowledged its existence in the Speed. Of course, it will be in the Grand. There's no argument there.

Hon. Mr. Kerr: All I'm aware of at the present time is that there has been some testing of certain species of fish in Lake Ontario which indicates that they are contaminated with either Mirex or one of the Dechloranes.

Mr. Makarchuk: Right.

Hon. Mr. Kerr: I'm not aware that we have absolute proof that there are contaminated fish in the Speed or the Grand or in Lake Erie.

Mr. Makarchuk: At this time, I'll—

Hon. Mr. Kerr: Has anybody else got anything?

Mr. Makarchuk: I'll touch on the fishing part later because—I'm sorry—

Hon. Mr. Kerr: Mr. Mills may have some information.

Mr. Makarchuk: My concern is that, as I understand it—I have a press report from the

Expositor of November 23, which says "Provincial official says laboratory technicians have found traces of a potentially dangerous chemical, Dechlorane, in samples taken from the Speed River here," referring to Cambridge. Could you comment on that?

[5:00]

Mr. Mills: Yes, the samples were taken from the vicinity of the dump site, not the river itself.

Mr. Makarchuk: Are you saying that they have detected samples of Dechlorane at the dump site but they are not sure whether it is in the river or has leached into the river at this time?

Mr. Mills: Right.

Mr. Makarchuk: But the possibility is there?

Mr. Mills: There is a possibility. But the river water and sediments are being analysed now.

Mr. Makarchuk: What's the percentage or how many tests have they taken?

Mr. Mills: There were 11 altogether.

Mr. Makarchuk: And out of the 11 tests, did they all have traces of Dechlorane then?

Mr. Mills: No.

Hon. Mr. Kerr: They are still waiting for the results of that.

Mr. Mills: There were traces found in the leachate and, because of that, they have gone back to sample river water and sediments.

Mr. Makarchuk: You will have those samples on river water some time by Friday?

Mr. Mills: I would think so.

Mr. Makarchuk: If you discover traces, in other words, if the chemical is in the water, when you said earlier that with proper treatment you can assure the people who take the water from the river that it will not infiltrate into the city or the town water system, what does proper treatment entail? Does that entail the charcoal as well as the normal treatment or just that the normal treatment will by itself take care of the chemical?

Mr. Mills: I think Brantford's treatment would take care of it. Samples have been collected at Brantford as well and will be analysed.

Mr. Makarchuk: Another point you touched on concerned fishing. As you know, there is quite a fishing industry in Lake Erie which could be affected if this chemical gets into the water. Although in this case, I suppose it wouldn't affect it as much at Long Point Bay, it would affect the fishing industry that's located east of the mouth of the Grand River in an easterly direction towards Port Colborne and so on. It's a few million dollar industry and it does employ quite a few people. If this goes in then you will have the same situation as you have with Mirex in Lake Ontario. There is this possibility. Would you acknowledge that at this time?

Hon. Mr. Kerr: I don't want to say yes. I am hopeful that there isn't any problem as a result of the Cambridge site. I would assume, Mr. Mills, that there has been some testing of fish in Lake Erie—

Mr. Mills: Yes.

Hon. Mr. Kerr: —at the same time as we did testing of certain species in Lake Ontario. We have no cause for concern from those results as far as Lake Erie is concerned.

Mr. Mills: There is no Mirex detected in Lake Erie fish.

Hon. Mr. Kerr: There is no Mirex detected in Lake Erie. You must remember that any problem that probably exists today is a result of something that's happened a few years ago, unless there is some substantial leaching going on now.

Mr. Makarchuk: That's my concern, if the leaching persists, you will eventually have Mirex.

Hon. Mr. Kerr: Don't say that the leaching even persists. We have got to establish, first of all, that there is leaching into the Speed.

Mr. Makarchuk: Right. I think that has been established somewhere.

Hon. Mr. Kerr: That hasn't been established yet. It can't be established until the test results.

Mr. Makarchuk: Unless the press report is wrong.

Hon. Mr. Kerr: It sounds as if it is.

Mr. Makarchuk: It says they have found traces of a potentially dangerous chemical, Dechlorane, in samples taken from the Speed River.

Hon. Mr. Kerr: That would be from the landfill site, not from the river. You don't

take a little sample of water and find Dechlorane. We have to use the methods with fish, don't we?

Mr. Mills: No, sediments and the liquid itself.

Hon. Mr. Kerr: Do you mean if there is Dechlorane in the water that would be satisfactory?

Mr. Mills: Yes, I would think so.

Hon. Mr. Kerr: Really?

Mr. Makarchuk: I understand something like 20,000 pounds of the stuff was being used in that area and a lot of it was put in the landfill site. It may have been inactive or the containers may have prevented it from running out into the streams. But in this case the containers may have deteriorated or rusted, or whatever it is, and now the stuff is flowing into the river or could be flowing into the river. The press report says yes, you said no; okay, I will take your word.

Hon. Mr. Kerr: Whom do you believe?

Mr. Makarchuk: You told me once the Grand would be cleaned up. That was six or seven years ago and it's just as dirty now as it was then. So what do you want me to believe?

Mr. Biggs: I had personal contact on this particular press report. The reporter was told that we didn't have any information and that anything he was conjecturing was premature, but the story still went and was put on the CP wire. As a result, we had many calls from television and what have you.

Mr. Makarchuk: Right. It says "Everett Biggs, Deputy Minister of the Environment, said scientists have not determined whether the presence—"

Hon. Mr. Kerr: Oh, you were quoted.

Mr. Biggs: No, I wasn't quoted.

Mr. Makarchuk: "—of the chemical poses any danger to the public."

Hon. Mr. Kerr: It must have been a Sunday morning.

Mr. Makarchuk: It's right here in black and white.

Hon. Mr. Kerr: Tell me, is that sanitary landfill site right next to the Speed River?

Mr. Makarchuk: I'm not sure where it is.

Hon. Mr. Kerr: It seems that every damn sanitary landfill site in Ontario is right next to a river or stream. They can't be.

Mr. Godfrey: Isn't there a lesson to be gathered?

Hon. Mr. Kerr: Oh yeah; put them in the bush somewhere.

Mr. Godfrey: No, no; burn it.

Hon. Mr. Kerr: But why would we put these things near a stream? I just can't understand it.

Interjection.

Hon. Mr. Kerr: It's better to have it up around Tremayne Road or someplace.

Some hon. members: Oh, oh.

Interjections.

Mr. Cunningham: The next thing is you'll want it in Waterdown.

Interjections.

Mr. Makarchuk: But in this case, Mr. Minister, should there be any indications that you have seepage, do you realize the consequences if the seepage persists?

Hon. Mr. Kerr: That will have to be the same as if seepage exists in my friend from Halton-Burlington's riding, in the Georgetown area—where else was it, around Kingston? Someplace else where they've used this product. There are three places in Ontario that I'm aware of. That's where our testing is going on and if as a result of the sediment testing or fish testing there is a problem with Dechlorane or Mirex in the Speed or the Grand, then the obvious source is that sanitary landfill site—

Mr. Makarchuk: Right.

Hon. Mr. Kerr: —which I assume is either municipal or operated by the company. Something will have to be done to contain any runoff from that site or maybe we'll even close it if necessary.

Mr. Makarchuk: You realize, of course, that there's also a possibility that it might be seeping into the Credit as well as another river that—

Hon. Mr. Kerr: Because of the Georgetown situation.

Mr. Makarchuk: Right, but this is a separate one.

The other concern, of course, is the fact that, as I said earlier, you have a fishing in-

dustry there that could be destroyed if the seepage persists. If the fish acquire the levels, whatever they are, you will destroy that industry. So obviously you may be forced to take some fairly drastic measures to try either to dike it off or else they'll have to just dig up the soil and haul it away someplace. I'm not sure just exactly what the situation is.

Just recently there has been the dumping of about 500 pounds of a detergent-like substance from near Guelph—again into the Grand River. It seems to me that what's happening is what you wrote in a letter to me once—I'm not sure whether it was a letter or a statement. You said the Grand is becoming like the Ruhr River in Germany; that outside of the obvious chemicals that are in there, plus the crap that comes from various other places from your rather inefficient sewage treatment plants, we are getting a lot of rather exotic or unusual chemicals in the water and that we're not really aware of what they're doing and what are the consequences of these things.

The reports I got from you regarding what is in the Grand just deal with the biological content, the iron content, the sulphates and so on—the standard type of reporting. What monitoring are you doing to see what is happening in terms of these other so-called rare earths or rare metals—the exotic things and everything else that could be floating about in there and are being ingested by people who take water from the river?

Hon. Mr. Kerr: As in the case of most main rivers in the province where there is large population along the banks of the river, where there is a certain amount of industrial and commercial activity, where the river in effect is being taxed because of development along its banks, we're continuously monitoring the effluent from the treatment plants of the various municipalities.

Mr. Makarchuk: But are you looking for these rather exotic chemicals—

Hon. Mr. Kerr: For all chemicals, yes.

Mr. Makarchuk: —that are coming on stream?

Hon. Mr. Kerr: You see, we—

Mr. Makarchuk: At one time in one of your speeches, which I occasionally read, you said that—what was it?—that the industrial sectors put across the world these various poisonous—you used better words, I may add—but you did mention—

Hon. Mr. Kerr: Phantom polluters.

Mr. Makarchuk: Phantom polluters, right. Are you looking for these phantom polluters—

Hon. Mr. Kerr: He strikes again.

Mr. Makarchuk: —particularly in areas where so many people live or depend on the water from this river?

Hon. Mr. Kerr: Yes. The only thing I can say is first of all I make this very broad statement that our monitoring goes on. We made a million water analyses at our lab on Highway 401 last year. In certain areas, as I say, there is a continuous taxing of the quality of the water because of population, development, industry and commerce. The Grand would be continuously monitored at various points over a period of time.

It was really our people in our lab who discovered Mirex in fish in Lake Ontario. This was a result of this type of sophisticated analysis which is going on. Some of it is in co-operation with our CCIW, the federal facility in Burlington. Some of it is international.

We are comparing results of our analyses continuously. We have a pesticides lab, for example, in Guelph. We have our regional labs which are summer programmes, ongoing things, testing for these rather insidious compounds such as mercury and PCBs.

Mr. Makarchuk: Rare metals.

Hon. Mr. Kerr: Rare metals, asbestos, arsenic, the whole bit.

Mr. Godfrey: PCTs as well?

Hon. Mr. Kerr: PCTs, I believe, was one of the groups of initials I saw in the list somewhere. What does that stand for?

Mr. Godfrey: I am not going to tell you. You don't even know if it exists.

Hon. Mr. Kerr: I am sure I had a list. There are two or three which start with PC.

Mr. Makarchuk: At this time, specifically, you say you are testing for these things.

Hon. Mr. Kerr: There is PCB—

Mr. Godfrey: Polychlorinated terphenyls are more toxic than polychlorinated biphenyls and are appearing on the scene every day in increasing amounts. I hope we are testing for them.

Hon. Mr. Kerr: Mr. Ronan, would you like

to come up? This is getting over my depth in Lake Ontario.

Mr. Makarchuk: In your testing of the Grand River, have you detected the presence of any other chemicals beside the normal ones you report on your computer readouts or printouts?

Hon. Mr. Kerr: I think we did get some PCBs.

Mr. Ronan: Maybe I could retrace the earlier question on what testing is being done for the more esoteric chemicals.

Mr. Makarchuk: Right, that is a good word.

Mr. Ronan: Usually we come upon these when we test the fish. The fish are the medium whereby we are first able to get some information that there is a new pollutant in the environment which we should monitor. The fish are kind of the early warning system whereby it is concentrated and there is sufficient quantity there so we can detect it. We have a fairly extensive scanning programme for organic chemicals in fish.

We also have, with respect to water, a lot of programmes investigating some of the halofoms, such as chloroforms and bromoforms which are formed in certain water treatment facilities through the action of chlorine. There are, as Mr. Godfrey stated, terphenyls which are more toxic than biphenyls and we have the capability of testing for those also.

With respect to Dechlorane, which initiated this discussion earlier, some of these substances have derivatives and by-products and it is only when some researcher may have come upon this possibility that there is a requirement to start monitoring it. Before one can monitor the substance, you have to develop methodology first and make sure that it is validated and accurate before one prematurely publishes material and subsequently it is found that perhaps there were other interfering compounds with almost the same formulation and which could give similar kinds of responses. You have these kinds of difficulties.

[5:15]

Mr. Makarchuk: As I understand it right now, until such time as there is some element of complaint, or somebody catches a fish and puts it through your meat grinder and your tester and discovers some chemicals, you are not going to do it. My concern is when there might be a series of chemicals

in the water which you are not aware of, and you're probably not going to find it in the fish; or by the time you do catch it in the fish, a lot of people, who take the water out of the river, may have ingested these chemicals. I'm concerned that the water may not necessarily be cleaned or that these chemicals are removed in the normal purifying system that is used for a community water supply.

At this time are you aware of any other chemicals, or can you say with some degree of assurance that there are no such things as extra PCBs or various rare earths or rare metals—the cadmiums and so on, the so-called esoteric chemicals—in our water right now? Can you be sure that eventually the accumulation within the human system will not cause harm to people?

Mr. Ronan: I don't think the answer is an unequivocal no. I can't say that and I doubt if anybody could say that. We keep on finding, with additional research, that certain degradation of products and substances which are used in this era have unforeseen by-products and breakdown products which a new measuring technique has helped us to isolate and characterize. Then we start monitoring to see how widespread it is. But each week there seems to be a new substance that we should look at and try to detect.

Mr. Biggs: I think the question really suggests that we're not checking products unless there is a complaint. I think the Thames River report, which has gone out to interested people as an example of the testing that we do do—I think either 12 or 14 different products in very minute traces are in that report—indicates that more checking is being done than just on the products that happen to be drawn to our attention.

Mr. Ronan: Yes, I think we could safely claim that we put samples through the most rigorous screening process of any lab on the continent. We have the capability to do that kind of thing. But there are always new things popping up. That's the nature of our society.

Mr. Godfrey: May I ask Mr. Ronan a question, Mr. Chairman? I appreciate the fact that this is an excellent examination unit and all the difficulties associated with it. However, I have some concerns with what Mr. Makarchuk brought up.

If you were testing for lead or mercury, you'd obviously have to test certain fish, because some fish absorb these substances and some don't. How wide is your examination

of your fish population for these toxic compounds?

Mr. Ronan: The Ministry of Natural Resources has a contaminants programme to measure key species of sports fish in the province, and we examine in excess of 3,000 fish for them annually, for a whole variety of trace metals and organic substances.

Mr. Godfrey: In three species?

Mr. Ronan: They have a few key indicator species. Sometimes they cannot obtain the necessary number of fish when their samples run out, so they may have other species they submit and we also look at them.

Mr. Godfrey: Thank you, but what about testing humans?

Mr. Ronan: Our ministry is not involved in testing humans.

Mr. Godfrey: I just had a paper from your minister today, and you've tested for PCBs in humans from 1969 to 1973.

Mr. Ronan: This information was obtained from the Guelph test laboratory. Our ministry does not conduct any testing on humans. It was information available in their literature or done by other researchers, but not by our ministry.

Mr. Godfrey: If you'll excuse me, Mr. Chairman, I had a letter from the minister today that said that your department had carried out testing at your laboratory in Guelph. Is it your laboratory or not?

Mr. Biggs: The pesticide laboratory is under the Ministry of Agriculture and Food, but is part of the co-ordinated testing effort the minister mentioned, between CCIW, our lab on Highway 401, our regional laboratories and the pesticide lab.

Mr. Godfrey: I'll be quite happy to accept that explanation if you will please tell me how I find out whether somebody living alongside the Grand River has inhaled or swallowed a sufficient amount of Mirex to now be toxic? Whom do I ask to look at that?

Hon. Mr. Kerr: Dr. Fitch is here.

Mr. Biggs: I would think that that person would probably feel sick and go and see a doctor, wouldn't they?

Mr. Godfrey: No, sir. That's the whole point of it. These poisons are so insidious you may not see it for five or 10 years. Surely the experience of the mercury poisoning

should be a sentinel, warning you and alerting you—

Hon. Mr. Kerr: Don't there have to be some symptoms?

Mr. Godfrey: No, not for years. Same thing with thalidomide. There was no indication of what was going on. We have a great upsurge of cancer in our society; how do we know it isn't coming from these things? For example, while you're there, sir, would you tell me whether we're testing humans for Avatrol?

Dr. Fitch: I'm sorry. I didn't get that. For what?

Mr. Godfrey: Avatrol. Avatrol is a definite environmental hazard. Is your department not organized for testing people for that?

Dr. Fitch: No, the Ministry of Health doesn't do any monitoring of humans for toxicity at all.

Mr. Godfrey: Could tell me who does, outside of me?

Dr. Fitch: No, I don't know of anyone who does.

Mr. Makarchuk: Mr. Minister, since you really look after the fish and see what their toxicity is, don't you feel that perhaps you should probably expand the programme and consider humans in some of these cases?

Hon. Mr. Kerr: What do you want us to do? Do you want us to line up a few thousand people and examine each one of them?

Mr. Makarchuk: Not necessarily a few thousand, but it might be worthwhile to take some samples to see if there are any effects. I admit it may cause some alarm, but I'd sooner have the alarm now than the cancer later.

I still haven't heard from anybody here whether you've discovered anything in the Grand, what testing has been done on the fish in the Grand and exactly what esoteric chemicals were discovered. Or were there none?

Hon. Mr. Kerr: Mr. Ronan was handling that. Didn't he answer the question?

Mr. Makarchuk: No.

Hon. Mr. Kerr: Mr. Makarchuk, I would assume that he—

Mr. Ronan: I don't have the information with me concerning the range of the substances tested for in the Grand and fish in

the Grand, but it is readily available in our reports. Normally we scan for a range of pesticides and trace organics, and we would do trace metal analysis plus a whole variety of traditional standard testing of water quality.

Mr. Makarchuk: Could we possibly have that information here tomorrow, Mr. Minister?

Hon. Mr. Kerr: Mr. Ronan, did you say you haven't done that type of testing?

Mr. Ronan: No, I said the results are available from the water quality assessment of the Grand and on some IJC work that we have done. I'm quite sure we can put that together.

Hon. Mr. Kerr: Anything we have, we'll make available to you tomorrow.

Mr. Makarchuk: All right. I have the print-outs which I got from you some time ago, but all they had was the normal stuff—the BODs, the fecal coliform and all that sort of stuff—and not these other chemicals that I'm concerned about. We'll have information tomorrow on the esoteric ones if there are traces. If there are no traces, naturally you wouldn't have anything to report.

Mr. Ronan: Yes, whatever data are available.

Mr. Makarchuk: The other thing I wished to touch on at this time is my favourite gorge, the Elora Gorge—

Mr. Gaunt: Excuse me. Before you go on to that, may I ask one question? I believe there have been something in the neighbourhood of 2,000 new chemicals invented and marketed in the last two years. Does the ministry do any toxicity testing of the new chemicals that are coming on to the market?

Hon. Mr. Kerr: My ministry doesn't do that, no. Hopefully, that is part of the new federal Environmental Contaminants Act. In other words, new products that come on the market have to satisfy this particular legislation and its regulations that it is safe and harmless and that it does not affect the health of people in a deleterious way. That's something along the same lines as the food and drug legislation. In the United States the new Toxic Substances Act was recently passed by Congress, and the Environmental Contaminants Act was approved earlier this year at the federal level in Canada. Any marketing of a new product that has any possibility of affecting health or the environment

has to be approved by a branch of the federal government.

Mr. Gaunt: Okay.

Mr. Makarchuk: Before I go to the Elora Gorge, there was one matter of about 5,000 pounds of a detergent-like substance that was dumped into the Grand about two weeks ago. Could you at this time tell me what firm was involved in the dumping and what right they had to dump this stuff into the river?

Hon. Mr. Kerr: Are you saying this was an accidental spill or what?

Mr. Makarchuk: I am not sure what it was. The press report says it was dumped in the Grand River; it doesn't say whether it was accidental or not.

Hon. Mr. Kerr: And what is the substance?

Mr. Makarchuk: It said it was a detergent-like substance. I just want to know what was a detergent-like substance.

Hon. Mr. Kerr: You are putting an awful lot of stock in these press releases. Does it name the company?

Mr. Makarchuk: No, it doesn't. I will just read it "The GRCA was advised by the Ministry of the Environment of the substance being dumped into the river. Mr. Grandfield—who is the manager of the PUC in Brantford—said he was not being told what was dumped or why. He just said that there would be bubbles in our water." Do you know anything about that?

Mr. Macfarlane: I am Macfarlane, Ministry of the Environment. There was a spill of some gallonage of a fatty acid, if I remember, from Hartt Chemical in Guelph in the course of the last few days. I was out trying to find the details of it just now. It's basically a detergent-like material which may produce frothing on the water.

Mr. Bain: The press report wasn't far out, was it?

Mr. Macfarlane: I understand it wasn't detected far downstream from the plant.

Mr. Makarchuk: Are you going to do anything? Is there going to be any prosecution in this or are you just going to say it's accidental and we will leave it at that? What are you going to do to ensure that this is not going to happen again?

Hon. Mr. Kerr: What is the main reason for the company having a spill of this magnitude?

Mr. Macfarlane: I think it was human error in this particular case. We are looking at the matter to see whether we should look at prosecution in this particular case.

Hon. Mr. Kerr: They reported the spill to you?

Mr. Macfarlane: Yes, they did.

Hon. Mr. Kerr: If it's a human error, if it isn't an obvious negligence and they are co-operating with us, we always consider whether or not there should be a prosecution. If the company has a good history and this sort of thing hasn't happened before, we usually don't prosecute on the first offence in that case.

Mr. Makarchuk: I presume you are doing an investigation of the situation or examining it, and you will have some kind of a report available on this later on. Is that correct?

Hon. Mr. Kerr: Yes.

Mr. Makarchuk: And would I be able to see that?

Hon. Mr. Kerr: Yes, I can send it to you.

Mr. Makarchuk: Very well, thank you. The point is that in this case it's assumed that the substance was relatively harmless and, therefore, boys will be boys. We all make mistakes, but sometime they may dump something which is highly toxic. Are you going to say boys will be boys again and just ignore this or are you doing some fairly intensive monitoring on that stream right now to ensure that where they are handling toxic chemicals there is no possibility of any kind of dumping? Even if they are not toxic, I don't think that you would like to have too much soap in your drinking water. I don't know what it does to some of the people in Brantford.

Mr. Godfrey: It makes them very sick.

Mr. Makarchuk: It does. It's those things that I am concerned about. To get to the Elora Gorge, you said you were going to tell me what you are going to tell the Minister of Natural Resources (Mr. Bernier), or what reply you are going to give him on the letter he wrote to you requesting your comments or some advice from you on the transfer of the 1.2 acres of land or whatever it is—it was about that amount of land—from the GRCA to the county of Wellington.

Hon. Mr. Kerr: You must have something that I don't have. I am not aware of a letter from MR to us asking for that comment.

Mr. Makarchuk: That's right.

Hon. Mr. Kerr: I am not aware of that; it may well be in the ministry. Be careful. He may have it right there in his hand.

Mr. Makarchuk: No. This was raised in the estimates of the Ministry of Natural Resources. What is really comes out to is the transfer of 1.229 acres of land from the GRCA to Wellington County. The Minister of Natural Resources in the estimates said he is not taking any action on this until he hears from the Minister of the Environment. He said that he has written you a letter on this. I raised this as a question in the House.

Hon. Mr. Kerr: I know. I couldn't find any letter.

[5:30]

Mr. Makarchuk: I noticed the two of you glanced rather angrily at each other as if to say what the heck are you talking about—

Hon. Mr. Kerr: No, no. Mr. Biggs was saying that there was no such letter, and I said be careful he may have it right in his hot little hand.

Mr. Makarchuk: Are you telling me that the minister—

Hon. Mr. Kerr: All I'm saying is that I have looked, and I'm sure Mr. Biggs has looked, and we're satisfied that there isn't any such letter. And why should there be? What involvement have we got? This is a question of transferring land from the ministry—

Mr. Makarchuk: The involvement here is environmental.

Hon. Mr. Kerr: No, not the transfer of land.

Mr. Makarchuk: It is. It's related to the whole project. But before we get into that hassle, I just want some clarification. Are you trying to tell me that somebody—the Minister of Natural Resources—didn't know what he was talking about or he was misleading this committee?

Mr. Cunningham: Oh, no, he wouldn't do that. He's not that kind of guy.

Hon. Mr. Kerr: I have no comment on either situation. I didn't hear the man say—

Mr. Makarchuk: It's recorded in Hansard. I'd have to go and dig it out for you, but

that's exactly what he said. When the question was raised with him as to what his action would be in the request by the GRCA to transfer the land, he said he's not doing anything until such time as he hears from your ministry. He also said he has written you a letter to that effect. I raised it in the House and now you're telling me you haven't received the letter or it's got lost. That happens, not necessarily within your department but it happens with the government. But at this time you say you have no knowledge of it and you have not received any request—

Hon. Mr. Kerr: I can go so far as to tell you that I checked with the minister himself in the House one day—as you know we sit fairly close—

Mr. Makarchuk: Yes I noticed that.

Hon. Mr. Kerr: —and he said, I don't recall writing you about this. The minister said that to me. He said I don't recall writing you about this. That was right after you asked the question. I asked my friend who was right there next to me and he said that the letter was between the authority and my ministry or it may involve MTC, but it didn't involve my ministry. So maybe when he talked about the Environment he meant Transportation and Communications; or he meant the Grand River Conservation Authority or something like that.

Mr. Makarchuk: Even he would know the difference between Environment and MTC, I'm sure.

An hon. member: Don't be too sure.

Hon. Mr. Kerr: But the transfer of land just wouldn't involve my ministry unless we owned it, and we don't.

Mr. Makarchuk: All right, outside of the fact that you don't own it, in view of, shall we say, the great public concern regarding the matter of the construction of the bridge over the gorge in that area, the fact that the naturalists, the Sierra Club, the Progressive Conservative Riding Association, plus Pollution Probe, plus all sorts of other groups in the community concerned about the construction of that bridge; are you prepared to have your department examine that project under The Environmental Assessment Act on the basis that there's going to be provincial involvement? You'll probably be paying about 80 per cent or 90 per cent of the cost. The fact that it's conservation land that is being transferred to facilitate the project, the fact

that it's the only gorge left in Ontario that hasn't been screwed up yet—I'm sorry, it's the second last gorge, the Agawa Canyon is the other one—on those facts are you prepared to look at it from that point of view and let's have the assessment on that project?

Hon. Mr. Kerr: The first thing is that at the present time it's a municipal project—

Mr. Makarchuk: County.

Hon. Mr. Kerr: County project. It's not included in The Environmental Assessment Act at the present time. This is something that has gone back now about seven years. There's been a need study, there have been studies—

Mr. Makarchuk: There hasn't been, that's the problem. There has not been a transportation study, there has not been any kind of an examination of the possible options.

Hon. Mr. Kerr: I understand there has been a transportation study.

Mr. Makarchuk: No, there hasn't. There was a very limited transportation study. There's good opinion from the planners in the Kitchener-Waterloo area to indicate there's other places where the bridge can go.

Hon. Mr. Kerr: I understand that the local conservation authority is not opposed to the project, is that right?

Mr. Makarchuk: No, they're not opposed to anything. That conservation authority—

Hon. Mr. Kerr: And the county wants it.

Mr. Makarchuk: That conservation authority's function is to preserve its authority and nothing else. They have a marvellous executive. They have enough people on that executive to ensure that every time they vote for each other they all get re-elected.

Hon. Mr. Kerr: I am just saying there does seem to be a substantial local approval for the project; that is the thing I was trying to get across. In other words, the county is in favour of it, the conservation authority—

Mr. Makarchuk: Let's get something straight. Nobody is arguing about the need for a bridge in that area. That is not the argument. The argument is the location of the bridge right over the centre of the gorge. That is what we are trying to sort out and that is why there is this desire to have this thing examined. It's not just because a couple of us, myself and another member, were involved in a court case. Even Eddie Goodman is interested in this. He was our lawyer.

Surely an eminence of that nature should have some influence with you, Mr. Minister.

Hon. Mr. Kerr: Right.

Mr. Makarchuk: The naturalists, the Sierra Club, Pollution Probe and all sorts of community groups are concerned about the fact the county, in this case—and I consider it a bull-headed attitude—is intent on putting the bridge exactly in this spot and nowhere else.

Hon. Mr. Kerr: What will this structure do to hurt the gorge? Is it an aesthetic thing is it an engineering problem?

Mr. Makarchuk: There are both. They intend to put the bridge right at the confluence of the Irving and the Grand. It will pretty well go over the most scenic part of the gorge. As a result, there will be salt spray, which can destroy some of the unique fauna in the gorge. In fact, there are some ferns that exist only in that place. There is the noise level and everything else. And, of course, if somebody wants to build a bridge, naturally a hot dog stand will go up somewhere at the end of the bridge as well as a few other things. You are going to have a bloody mess in the area.

In very general terms, that is the concern of the people. They are not against the bridge. They are prepared to have the bridge, but there is good evidence to indicate that proper transportation studies have not been done. There is evidence from planners in the area—from the Kitchener-Waterloo planners, as an example—to say that there are alternative routes in the areas and so on. These are the kinds of things that haven't been examined.

There has been a sort of decision to put the bridge there, and the county has not in any way deviated from that particular stand. They fought through the courts and so on to try to get it across. There are three gorges in Ontario—Niagara, Agawa and Elora gorges. Surely your ministry has to show some consideration for the people of Ontario and everybody else.

Hon. Mr. Kerr: As I say, it has been around for a long time—

Mr. Makarchuk: The only reason they haven't got a bridge there is because Morley Rosenberg and myself took it to court.

Hon. Mr. Kerr: I know.

Mr. Ruston: Did you win or lose?

Mr. Makarchuk: We lost every step of the way, right up to the Supreme Court. In fact, we are going to be buying the bridge.

Mr. Reed: You'll have to sell your yacht, Mac.

Mr. Ruston: You are going to need a lot of help to pay for it, because you held it up so long.

Hon. Mr. Kerr: If the Minister of Natural Resources, for example, indicated to me that he would want to see an environmental assessment there, that is something we would consider. It would mean, of course, bringing in the specific project in the county of Wellington, but that is the type of request we would consider.

Mr. Makarchuk: In other words, we have a commitment that if the Minister of Natural Resources asks you for an environmental assessment, then you will consider it?

Hon. Mr. Kerr: Yes.

Mr. Makarchuk: Fine. Thank you very much. I will report to a meeting at Waterloo University on December 8. Perhaps we might invite you to be there.

Mr. Godfrey: On a point of privilege, Mr. Chairman. Could we have the atmosphere cleared of tobacco smoke as resolved?

Hon. Mr. Kerr: Who is it?

Mr. Godfrey: Get him out of here.

Hon. Mr. Kerr: Where is he? Who's smoking?

Mr. Chairman: Mr. Gaunt?

Mr. Gaunt: Mr. Chairman, I wanted to talk for a moment about Great Lakes pollution, which is a big problem. We seem to be getting conflicting reports as to the current status of the Great Lakes. Some of the headlines of recent date indicate that the Great Lakes will be polluted forever. Other headlines indicate that we are losing the battle to clean up the Great Lakes. That is supported by some pretty notable scientists. I just want to get the minister's view with respect to where we stand in terms of the cleanup of the Great Lakes. We entered into an agreement four years ago to spend about \$6 billion to try to clean up the Great Lakes. That is money well spent if we can do it because it is the largest reservoir of fresh water in the world and it's served the industrial grid of North America very well. It's actually stimulated industrial development but at the same time it has acted as North America's sewer in many cases.

Mr. Haggerty: You don't have to swim it, you can walk across it.

Mr. Gaunt: The matter of cleaning it up obviously is a huge job. It's indicated that if all the pollution now known to be entering the lakes were turned off tomorrow, it would still take 15 years or more for some of the present effects to disappear. We are told that it would take 80 years to flush out the lakes, particularly Lake Ontario, and it would take Lake Superior 200 years to fully replenish itself.

The annual report of the IJC, which came out not too long ago, indicated that Lake Superior offshore was generally clean but there were still some areas along the shoreline that were highly polluted. The offshore waters of Lake Huron, were generally acceptable, except for some DDT residue, increasing levels of PCBs and increasing signs of algae. There were nine poor quality areas. On our side of the border, those included Penetang and Midland. Basically, the problems there were sewage, bacteria and algae formation from municipal sewage.

When we come to Lake Erie, many people who are studying this lake consider it still dead. It's polluted particularly in the south-east section. There are 26 areas of poor quality water. Many of these are on the American side and I realize that all we can do in those instances is work through the IJC. In any event, it still is a problem and a continuing problem for us on this side. The water quality of Lake Ontario is still tolerable offshore. We've got signs of oxygen depletion in mid-lake, Toronto and Hamilton harbours and the eastern end of the lake. Mercury still is present at the eastern end and PCBs are increasing. There are 20 areas of poor quality, including Toronto, Hamilton, Port Hope and Twelve Mile Creek and Black River.

Really what I am trying to determine from the minister is just where we stand in his view and in the ministry's view. Can we come up with a tougher agreement in 1976 because I think at the end of this year a new agreement will be negotiated and, hopefully, we'll be able to come up with some tougher proposals because I think this is part of the problem. We have been making some progress on this side but the Americans aren't doing as well as they should. I am wondering if we can come up with a tougher agreement to give the IJC some real clout and some real power in this respect.

[5:45]

Hon. Mr. Kerr: As the hon. member knows, we're pretty well up to date as far as it concerns our own sewage treatment facilities of municipalities along the north shore of

the Great Lakes. We also are on stream pretty well as far as our phosphorus removal facilities are concerned in these plants. There are 183 waste water treatment plants; 177 now have these facilities operational and the remaining six will be operational by April of 1977. There's no question that until plants are built or completed in places like Detroit, Buffalo, Cleveland, Niagara Falls and Oswego, just to use a few examples, the water quality, and the other problems that the hon member has referred to in these lakes, won't be cleaned up. We won't notice any substantial improvement until both parties to the agreement have lived up to the terms of the agreement.

The hon. member mentioned that we should have a tougher agreement than the Canada-U.S. agreement that was made in 1972; I think it was for five years and it will be renewed in 1977. We made an agreement in 1971 with Canada which enabled them to get into the international agreement and we renewed that accord this year. We have kept that agreement; of course it was all one-sided as far as Canada and Ontario was concerned, although Canada was required to do certain things with federal facilities and in some emissions control. As I say, all we can do is live up to our side of the agreement, meet our obligations as far as our agreement with the federal government is concerned, and live up to the Canadian commitments under the Canada-U.S. agreement.

The hon. member has mentioned certain localized problems, the whole question of PCBs and mercury and Mirex and all those things. These are monopolizing our attention right now.

I talked the other day about the sources. Hopefully we have the sources for mercury eliminated; we have PCBs under control; and with Mirex our investigations continue to go on. We know that the only source of Mirex manufacturing is in the US. Apparently the manufacturer is no longer distributing that product in the US. There haven't been any sales in Canada since 1968 or 1970 and we know the companies that have purchased it. It was actually used only in two locations; a company in Kingston sold everything, it was just a transfer station, to some place in Quebec. So we are able to pinpoint the Mirex problem and therefore the Dechlorane problem.

Our monitoring, our sampling, our testing goes on; with fish with respect to these substances and PCB levels. The hon. member is correct, there hasn't been any substantial reduction in those. There has been in mer-

cury, as far as the St Clair area is concerned—Lake St. Clair and the St. Clair River—and there have been some encouraging signs around Cornwall.

Mr. Haggerty: What do you mean there are encouraging signs?

Hon. Mr. Kerr: The levels in the fish that we're fishing now are getting lower than they were, say, four or five years ago.

Mr. Haggerty: That's because the fish have all died off.

Hon. Mr. Kerr: It may be. Mirex is a new problem that we will have to treat and handle somewhat the same way as we have the others I have mentioned.

As far as nutrient enrichment is concerned, algae growth, phenyls, and dissolved solids are problems that for the most part can be solved with proper treatment. Some of these municipalities, particularly in Lake Huron district and Lake Superior district, need either enlarged sewage treatment plants, for example, or they have to move to another stage from primary to secondary to tertiary, somewhere in that area. The effluent is bound to affect a lake like Huron that is relatively clean in comparison to other bodies of water and therefore is a little more sensitive. If we have a number of municipalities dumping their effluent into that waterway with only primary treatment and maybe some bypass and no phosphorous removal, we are bound to have these comments from the IJC. We have to improve our programme as far as that is concerned.

In the Port Hope area, you know the problems we have had with radium. There has been that problem there for some time, although again it is not concerning us as far as the drinking water supply is concerned. It does in the general assessment of Lake Ontario have some effect on the lake. On the north shore of Lake Ontario, algae cledoforra remains a problem.

As for the Toronto waterfront; in this great city servicing over two million people in the Metro area, it is pretty hard to be too pristine, but the only comment the IJC made about it was that the coliform level exceeds the IJC objective. That's not bad for a city the size of Toronto, if you look at the specific comments about a place like Cleveland or Buffalo or Detroit.

Hamilton harbour of course is the bane of my existence. It has a little bit of everything.

The St. Lawrence River is still a problem. All I can say is that we want not only to

live up to our agreements, we also want to continue working, as we are through such bodies as the Great Lakes commission, the interstate commission, of which Ontario is a member, the IJC and those various working groups within the IJC. We are looking at planning on both sides of these waters now. For example on the question of whether there should be a new plant and industry, or even a subdivision, in northern New York, Ontario, because of its membership, has something to say; and the states are making comments about our great industrial complex in Nanticoke and all this type of thing.

Then there is the problem of commercial shipping, of dumping of sewage and waste into the Great Lakes from ocean-going steamers that really haven't any proper treatment systems. We have an agreement about pleasure craft which Ontario has led, as the hon. member knows. We still can't get everybody in the Great Lakes to agree on holding tanks. Some are still satisfied that the macerator chlorinator is a sufficient type of treatment on pleasure craft. There still has to be some arm-twisting there, frankly, if we are going to be uniform and not cheat on our objective here.

In gas-drilled wells and drilling in the Great Lakes, as you know, Ontario allows a certain number of gas wells in Lake Erie. Maybe there are some in the St. Clair area, I am not sure, but we haven't had any problems with any of those. There have been no spills, but some of the Great Lakes states still object to that going on. If there is any problem, we will probably have to prohibit that type of drilling, but up until now it's not been a problem as far as maintenance of water quality is concerned.

Basically I think that the upstream concerns—for example, the Grand River and those other streams and rivers that are feeding into the Great Lakes—deserve more attention than they're getting. More testing is needed; instead of doing all the testing in the lakes, we should be up those rivers, as we are on the Grand, because their ultimate destination can be one of the Great Lakes.

I don't know what Jimmy Carter thinks of this, but hopefully the United States will live up to its agreement, which has about a year or so to go, and will allocate more funds for treatment on the US side of the Great Lakes. Russell Train indicated last summer when he was in Windsor, and again when he was in Burlington at the CCIW plant, that the funds they have been promised will enable them

to catch up as well as to meet the final terms of the Canada-US agreement.

If they live up to this agreement, the worst of their problems are over. The big expenditures for plants are over. It's then a matter of monitoring and surveillance of the toxic substances in some of the river basins and of controlling all future development planning. But the big expenditures in Detroit, Buffalo Cleveland are provided for in the existing agreement; and if they live up to it, we're over the hill, shall we say, by the end of 1977.

Mr. Gaunt: Aren't Detroit and Cleveland on a schedule aimed at 1980 for treatment plants?

Hon. Mr. Kerr: Yes, but it seems to me that Detroit was about 1978. I may be wrong. That's what they said this summer when we were down around Wayne county; we were also in Windsor at the time. They were starting from scratch, of course, and there are three or four plants there now. There are county plants, city plants, east end plants and west end plants, not to mention the industrial abatement programme that's all part of this agreement.

But I understand that if the money is allocated and the plants are under way, it's something like Ontario: If the contract's let, the sod is turned and the construction is under way, therefore the money has been provided.

That's the point I'm making: If these plants were at least substantially under way by the end of 1977, while the completion date may be sometimes after that, I'd say they will be

well around the corner with their programme.

Mr. Gaunt: I suppose it's a fair statement to say that all of our Great Lakes are now polluted. We have mercury, lead, arsenic and asbestos fibres in all of the Great Lakes now, and it's going to be a very difficult chore to clean them up. Indeed, the Canadian chairman of the International Joint Commission, which monitors the Great Lakes and its contamination, has said that pollution of the Great Lakes is now a problem forever. In other words, he doesn't think it will ever be cleaned up.

Hon. Mr. Kerr: I think he's pessimistic. So many of these campus experts, when they make a little speech to their fraternity, they always pick on poor little Lake Erie and they say it's dead. Even the Prince said that. But it's still got some life in it. Ask that fellow right next to you.

Mr. Haggerty: Don't ask me, because you're going to get into a battle on it.

Hon. Mr. Kerr: There's still a little life in it.

Mr. Chairman: Mr. Gaunt, have you concluded your remarks?

Mr. Gaunt: I really haven't, but time has run out for this afternoon.

Mr. Chairman: Mr. Gaunt will be the first speaker when we resume after the question period tomorrow.

The committee adjourned at 6 p.m.

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SUPPLY COMMITTEE—2

ESTIMATES, MINISTRY OF
THE ENVIRONMENT

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OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, November 30, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

TUESDAY, NOVEMBER 30, 1976

The committee met at 3:20 p.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT: (continued)

On vote 1902, environmental assessment and planning programme:

Mr. Gaunt: Mr. Chairman, we were talking about the pollution in the Great Lakes yesterday when we arrived at 6 o'clock. I don't want to deal further with it at any length but I would like the minister's comment in regard to what effect the high water levels have had in diluting the pollution concentration. There are those who say the high water levels over the past two or three years have had an impact to the extent that they tend to make the water appear cleaner than it actually is. When we revert to the previous levels, we'll find that the actual concentration of pollutants in the Great Lakes is about the same as—perhaps slightly better than—it was in the 1972-73 era.

Hon. Mr. Kerr: I don't feel the fluctuation in the levels of the Great Lakes has any great effect on the quality of the water of the Great Lakes. As you know, the increase is usually a matter of inches; it's the same when the levels go down—that is, it is about the same measurement.

The IJC, through various control mechanisms, tries to adjust the levels if they get to be too high in certain areas of the Great Lakes system, in order to maintain some continuity and an even level of lake levels and flow. I don't feel, from what I can gather from reading IJC reports, that over the long run it has that much effect.

Certainly if you have more water in the lake, in a certain body of water, there is more gallonage. This will have the effect of diluting the effluent, for example, or the degree of contamination which may be in that body of water. I don't think the measurements of water quality will indicate any great change. What is the cause of the

increased level? Is it just precipitation? Is it flow? If it is flow or precipitation where does that come from and what is the quality of the flow? Do you want to add to that?

Mr. Mills: I might add that we have done quality determinations and coupled these with the volume of water entering particularly Lake Erie. This is from the standpoint of the phosphorus loading. Many of the problems which are associated with Lake Erie are because of phosphorous and nutrient enrichment. Over the years we have found that because of phosphorus removal on the Canadian side and about a 30 per cent removal programme in Detroit the overall loading to Lake Erie has reduced. There may be some effect because of the increased volume of water entering the system and the increased water level but we can see a trend towards reduction in overall input into the system.

Mr. Gaunt: In 1973 I believe they figured that roughly 70 per cent of the lake, particularly the central part of the lake, was oxygen starved. Has that improved substantially in the last three years?

Mr. Mills: Yes. The figures for 1972 were about 85 per cent; in 1973 it was not too different—I think perhaps it was between 80 per cent and 90 per cent. In 1974 it was about the same but in 1975 it dropped to five per cent and we thought there was a very definite trend but it rebounded to about 50 per cent in 1976. Whether a trend has been established we don't know.

Mr. Gaunt: From five per cent back to 50 per cent?

Mr. Mills: Right. That is the western basin, a one-third portion of the lake.

Mr. Gaunt: That is a substantial rebound.

Mr. Mills: Yes.

Mr. Gaunt: Is there any indication at all of what would cause that? I can see it going from five per cent to 10 per cent; but from five per cent to 50 per cent makes one won-

der if one has won the battle and lost the war.

Mr. Mills: In view of what it was before—around 80 per cent or 90 per cent and then it dropped—it could be climatic conditions which affect the growth of algae. It is the algae growth and subsequent decomposition, of course, which reduce the oxygen level. So it may have been—I don't think the five per cent is indicative of a trend.

Mr. Gaunt: Has there been some indication that air pollution is now having an impact on the Great Lakes pollution? Have there been any studies done in this regard? If so, what kind of impact is this form of pollution having on lake pollution?

Mr. Mills: We can't quantify at this time. We have not been able to relate what comes out of the stack in terms of the effect on water quality. I think the suspicion is there.

Mr. Gaunt: All right. May I switch to pollution in Lake Simcoe and Lake Couchiching? Apparently late this summer there was some indication that unless something was done in that region very quickly those lakes were going to be in very serious trouble. I'm wondering what studies the ministry has done in the region and what the intentions are to clean up the pollution in that area:

[3:30]

Hon. Mr. Kerr: Are you aware of any studies on Lake Couchiching, Grant? Do you have any readings there?

Mr. Mills: Yes, we've done the major report, which I believe was published in late 1974 or early 1975; that contained a number of recommendations on the degree of water quality treatment prior to discharge. But what has occurred is that MNR has noticed a decline in some species of fish, which could possibly be attributed to a decline in the oxygen level in the deeper waters.

Mr. Gaunt: There was a comment by some of the councillors in the region that unless something was done immediately, those lakes would be beyond the point of no return. Does the ministry see it as that urgent?

Mr. Mills: It's not that urgent, no.

Mr. Gaunt: What's the situation with the fish life in those lakes? Has it affected the fish? If so, in what manner? Are we getting a lot of algae growth in those lakes?

Mr. Mills: Yes, in Cook Bay, which would tend to promote a coarser brand of fish. But MNR is unable, at this stage, to correlate water quality and decline in certain species of fish. Now this could be the next—

Mr. Gaunt: I have three other matters; with your permission, Mr. Chairman, I will clean them up and relinquish the floor to someone else. I'll do it as quickly as I can. The first one is with regard to The Environmental Assessment Act. I'm wondering when the minister is going to apply the Act to municipal and private projects.

Hon. Mr. Kerr: Our plan now is to apply the Act to municipal projects by next July. As far as private projects are concerned, in a very general way, it seems to me that at the time the legislation was approved by the Legislature, my predecessor indicated then it would be two or three years before the Act would apply generally to private projects. We're looking at the end of next year or early 1978, I suppose.

As the hon. member knows, the Act applies now to one or two private projects. In some cases we have voluntary assessment; in other words, assessment that has taken place as a result of the companies agreeing or asking for an assessment to assist in getting necessary approvals for a project that in some way may be of some concern environmentally.

At the present time, we are working with the PMLC, the Provincial-Municipal Liaison Committee. We each have a committee—a committee of regulations in our ministry, together with a committee of regulations from PMLC—attempting to approve whatever exemptions the municipalities are asking for, as we did with the various ministries. This has been going on now for some months. Hopefully, those discussions will be completed and we will be able to meet our July 1977 date for proclamation of the regulations.

Mr. Gaunt: What sort of additional staff will be required and, hence, additional expenditures? First of all, for the municipal projects and then, secondly, for private industry projects.

Hon. Mr. Kerr: The first thing I can think of is that it may require an increase in the membership of the Assessment Board, although we have about a dozen people now. Even at this stage they are busy because they're working, as you know, under more than one piece of legislation and they're performing the function of the old Environmental Hearing Board as well. I can see some additions to

the Environmental Assessment Board. I certainly can see some additions to the staff of the Environmental Assessment Board. Stenographic help and other administrative personnel I think will be required just to deal with applications for hearings, setting of hearings, arranging of hearings and completing reports and things of that nature.

I'm hoping that that, in fact, won't be necessary for at least a year, but it depends really on what the effect is of the municipalities being brought into the legislation and if, in fact, they are brought in about the middle of next year, on how many hearings will be required. In many instances, it's not necessary to have a hearing, as the hon. member knows. The minister is requested to hold a hearing after a certain proposition is made public. Many municipal projects are undertaken by the province, or the province in conjunction with the municipality—such as a housing project or a road project—so it's hard to say just how much added load this will place on the board and on the ministry generally. I would think that at some time in the latter part of next year we will require more help, certainly some new board appointments.

Mr. Gaunt: With respect to noise legislation, the original Environmental Protection Act had sound vibrations in its definitions as a form of contamination. We really haven't made very much progress since that time. I think at that point municipalities were encouraged not to formulate their own municipal noise bylaws because it was thought the province would handle the noise pollution through their air management branch. That didn't work out.

Then in March 1975 the ministry came in with its model municipal noise bylaw which left the onus on the municipalities. It really hasn't been effective. I think something in the neighbourhood of 20 municipalities have shown an interest in the model bylaw but no bylaws have yet been adopted. I'm wondering whether, after five years, is the ministry considering any other approaches in this regard?

Hon. Mr. Kerr: I think we must remember we really only distributed the model bylaw to the municipalities this past spring in May. It's a complicated piece of legislation. Many of the municipalities, as the hon. member has said, are studying it. There are seven municipalities that have initiated preliminary discussions with the ministry. I suppose these are of an explanatory nature. What is the effect of a particular section in the bylaw and how would it apply under certain circumstances? We have 10 municipalities that have sent employees for noise-bylaw training.

I think our approach to this is the right method. Circumstances vary, as the hon. member knows, from municipality to municipality. The type of bylaw or the type of enforcement that may be necessary in certain parts of Pickering, for example, may not be the same as downtown Toronto. Each municipality has a particular problem, whether it's because of an industry or because of a busy intersection or because of housing located improperly next to an industrial or commercial area. This type of situation makes it difficult to have overall provincial legislation.

I think that it's also fair to say that in some areas people react to noise a little differently than in some other areas. I'm sure that urbanites—people who have been born and raised and live and work in a particular urban municipality—may be able to put up with more than people raised in mainly a rural community from a population or a general activity point of view.

We are doing everything we can to encourage municipalities to adopt an anti-noise bylaw. We're helping municipalities, for example, that have passed a resolution requesting that a noise bylaw be implemented, usually with conditions, and that an application be made to the Ministry of the Environment for instruction on how to implement the bylaw, or that the town solicitor be instructed to draft a by-law, and this type of thing. Many of these types of resolutions have been passed; it's just a matter of getting the thing done and getting it on the books as far as enforcement is concerned.

I think probably six months from now the list will be different. I would say the majority of municipalities that now have initiated preliminary discussions with the ministry will have a bylaw in effect by, say, July 1. For example, I expect the two that have been approved by the ministry—Barrie and North Bay—will be in effect by the first of the year.

The procedure is to have the bylaw drafted and sent to us for approval so that it is in basic conformance with the model bylaw and it is enforceable and correct from a legislative point of view. I think this is the best way and I think it behooves us to continue putting pressure on those municipalities that have shown some interest and where there is an indication that there are problems within that municipality—such as Hamilton, for example. I'm surprised that Hamilton hasn't gone a little farther down the road in respect to this bylaw. I know that city has taken executive action and they have funds for the implementation of the noise bylaw, but they still haven't completed the work.

Mr. Gaunt: The last matter I wanted to raise with the minister on this particular vote has to do with termites. We've got a problem with termites in certain parts of the province—certainly in one town in my constituency. The ministry has a maximum of \$2,000 assistance under this particular programme. I think they pay 60 per cent of the chemical treatment and then 60 per cent of the work done in respect to the wood soil contact. I'm not sure what that means.

[3:45]

The first thing I would like to say is that in many of these cases, particularly in the town of Kincardine, with which I am quite familiar, the maximum of \$2,000 doesn't even begin to cover the repair work that's necessary to clean these rascals out. They've been in there quite a while. As a matter of fact, I have a paper clipping here that says that there was an outbreak of these things in Kincardine in 1954, in Windsor in 1950, in Amherstburg in 1968, and in Dresden in 1968. So apparently these termites have been in Kincardine since that time. They weren't dealt with effectively then and they've just continued to eat their way through the town.

Many of these people—and some of them are retired—simply can't afford up to \$12,000 in repairing their homes. They are on fixed incomes, and I'm wondering if the ministry has any intention of coming in with an enriched program to deal with this pest.

Hon. Mr. Kerr: I suppose we can always argue how much the provincial subsidy should be, what percentage it should be, or what the maximum should be. I think the rationale behind the idea of not paying 100 per cent or even increasing the maximum figure is that an awful lot of the problems can be avoided through certain preventive measures. We find in some areas that the municipalities, for example, haven't really taken enough interest, either by way of inspections or otherwise, to assist people to carry out certain household measures that will avoid termites causing the damage they do.

I know if you have an epidemic, certainly this results, for the most part, from some negligence on the part of somebody—either the home owner or the building owner—house-keeping methods, or the lack of some inspection and supervision. In some cases we've had, for example, the city of Toronto has objected to the fact the province is involved. Somebody down in city hall has said the province should keep its nose out of termites. We're happy to do that.

Really, we think one of the reasons we're in the programme is to try to get the municipalities, with the type of assistance we have, to make this a year-round programme so that people are aware of what methods—biological or chemical or what have you—are available to prevent or control damage from termites. We issue instructions as to the type of preventive measures or chemicals that should be used. We talk about sealing cracks and holes in foundations, for example, to deter termites from entering a property; removing scrap wood around the home; improving water drainage to eliminate the moist soil conditions favoured by termites. We issue pamphlets, as we did with the mosquito programme, listing instructions or certain measures that people can take; how to recognize the problem early, how to prevent it and how to control it.

I must say we've had a number of submissions such as the hon. member is making from other municipalities that the maximum figure of \$2,000 just isn't enough under some circumstances and we should be raising it. We're looking at that. That, again, is coupled with our restraint programme. If we increase the maximum figure of \$2,000 what is the across the board provincial cost as a result of this change? It just seems to be sort of a normal, natural municipal responsibility; it's building inspections for the most part. It's local. To send somebody like Kal Symons all the way to Kincardine just to chase a few termites seems to be too expensive because knowing Kal he'll go up there on a Friday afternoon and we won't see him until Tuesday—even in Kincardine.

Mr. Gaunt: I would certainly suggest there is some responsibility on the part of the municipality actually to keep an eye on these things and to try to warn their citizens that there may be a problem. I think it is very difficult for the individual home owner to monitor the situation because these things spread underground.

In many cases, the homes which are now seen to be infected were not thought to be infected a year ago and it is in this last little while that this particular problem in the town has been brought into focus. They apparently knew this was a problem with certain homes in the town 25 or 30 years ago but they decided to play down that aspect, I suppose, for obvious reasons.

Now, when the situation has become rather critical in the entire side of the town they decide to act. In many cases it's to the detriment of some of the people who simply can't

afford to make the renovations necessary in order to clean these things out.

I don't think that your involvement, as a ministry, needs to be to the extent that you have people running all over the province. I think there should be some responsibility on the part of the municipalities to alert people to the problem and then to assist them financially. At the same time, I think that should be a joint financial responsibility and that is why I am suggesting to the minister that \$2,000 isn't a big enough financial commitment from the ministry in order to cope with this problem. We are saying to you, don't get your nose out of the termite business; get your nose into the termite business to a greater extent. I think that could be done and should be done, particularly in small municipalities and Kincardine is a small municipality. They can't afford to spend \$100,000 on termite cleanup as, perhaps, Metropolitan Toronto can. I make that plea to the minister and I hope that will receive some consideration.

Hon. Mr. Kerr: I think the fact it is a relatively new programme—certainly our financial involvement is new; it only started this year—that is, the 60 per cent and the maximum of \$2,000, involving the municipality, I guess, to the extent of 25 per cent and the home owner to 15 per cent. Frankly, I wouldn't object to increasing that maximum. I don't think we should change the percentage figures or ratio.

Mr. Gaunt: No, I agree.

Hon. Mr. Kerr: I think the home owner has some responsibility and so does the municipality. The only thing is, as I say, by way of some preventive activity, the total cost should not be that high, particularly if the home-owner takes advantage of the pre-treatment or preventive measures which we also include in the programme. We are covering 60 per cent of the cost of that as well, to a maximum of \$1,000, for that sort of thing.

By a little bit of planning and by some foresight and with some indication that there may be a problem in the offing, people can prevent a termite problem developing into an expensive experience. All I want to say now is let us look at the programme. If we find there are more Kincardines—particularly situations such as Mrs. Wilson wrote to us about where in her particular programme she's talking about \$8,000 to \$10,000 worth of renovations—if that becomes anywhere near commonplace, there will be an obligation on us to change our grant structure.

Mr. Gaunt: Could I find out what wood-soil contact means? What does that expression mean? What are you prepared to pay for under that terminology?

Mr. Wilson: The term soil-wood contact means basically to break the contact between the home and the ground which is the source of termites. We've done this by not using a wooden pier or not setting the foundation of wood right on contact with the soil. It can be done with a concrete pad, a cement block, or a metal post, as long as there is some kind of barrier between the wood which the termites eat and the soil which harbours them.

One of the first evidences that you find is a little tube they have to build outside of the soil or wood and, therefore, it becomes more readily obvious to a person that they have problems.

Mr. Gaunt: You will pay 60 per cent of that wood-soil contact material.

Mr. Wilson: That part of the building is only for the purpose of discouraging the termite infestation. I would also point out that there are several other programmes from the Ministry of Housing that address themselves to the aspect of home improvement or renovation or updating the standards. I know they are available, but I'm sorry I don't know what all of them are. There are several of them. In the case of those people who have asked, we refer them to the building inspector in the municipality or the Ministry of Housing.

Mr. Williams: Just one supplementary question: Are you saying that a gap of even a few inches between wood contacting the ground is sufficient to prevent the termites getting in?

Mr. Wilson: Definitely, as long as there is a separation between wood and soil.

Mr. Williams: They will not move through the external environment, if you will, up the outside of a steel beam or whatever to get in?

Mr. Wilson: If they do, they make this little tube which they have to be in to protect them from the air.

Mr. Williams: They can't be exposed to the atmosphere?

Mr. Wilson: If they are, they die immediately.

Mr. McClellan: I want to take this opportunity in the estimates to talk a little bit about lead pollution and primarily to ask a series of

questions. Before I do, I should at least establish briefly a context—very briefly, Mr. Mancini will be happy to know. According to the evidence of the lead data analysis task force, there are at least 194 people in the vicinity of the three lead pollution-emitting plants in the Metropolitan Toronto area with lead levels in excess of 40 micrograms per 100 millilitres or higher, which is substantially above the danger level. We know that lead is a dangerous and toxic substance. It is one of the first pollutants that was identified as such. It is something we have been aware of for many years, in fact, for many generations. It is now the fall of 1976.

[4:00]

People have been working on the issue of the lead pollution from the three Toronto refineries since at least 1972 and possibly earlier. We've been batting our heads against this wall for four years at least. Memory fails me, but I think we started in 1971—

Mrs. Campbell: Prior to 1972.

Mr. McClellan: —prior to 1972, and here we are in the fall of 1976. The end, apparently is in sight. And apparently—

Hon. Mr. Kerr: I just want to, Mr. McClellan—

Mr. McClellan: Let me just finish my statement.

Hon. Mr. Kerr: All right.

Mr. McClellan: I just wanted to set a kind of a context. The end apparently is in sight with pollution abatement orders issued and deadlines, which we hope are firm deadlines, established for some time in the spring of 1977. Nevertheless, pollution still continues as of November 30, 1976, and as the representative of one of the ridings, the Bellwoods riding, which is affected by lead pollution from one of these smelters, my anxiety will not diminish and my concern will not diminish one iota until the source of lead pollution is dealt with. And as of today, it still has not.

Did you want to interject something, Mr. Minister?

Hon. Mr. Kerr: No, it's just that I wasn't sure of the remark you made regarding "prior to 1972." The problems relating to the three or four plants and the finding that there were dangers of high lead levels was some time in 1973. I can recall that Jimmy Auld was the minister at that time.

Mr. McClellan: That may well be.

Hon. Mr. Kerr: But there may have been some discussion—

Mrs. Campbell: Certainly there was a problem prior to that.

Mr. McClellan: The work around identifying the problem and mobilizing people and doing the grass roots community work and working with the Toronto Board of Health and Metro labour council and various resident and area groups began, if my memory serves me, in 1971. Certainly in 1972 many of us were working on it, and we still are not at the end of that road. That, simply, is the point that I wanted to make.

I've been monitoring the work of the Cockburn committee, which is advisory to the process of implementing the cleanup of lead pollution and have attended the public meeting, but I have a series of questions that I want to raise at this time.

One of them relates simply to the Environmental Hearing Board. I continue to be absolutely baffled as to how it was that the Environmental Hearing Board was allowed to continue or to complete its hearings and issue its report without any reference to the report of the lead data analysis task force. I have heard various and sundry explanations, including the one that there was some delay in getting the thing printed and, therefore, it wasn't possible for the Environmental Hearing Board to use it. That simply doesn't wash as far as I'm concerned.

Let me suggest an analogy, and the analogy is that of a murder trial in which the Crown attorney somehow neglects to introduce the murder weapon with the fingerprints of the murderer on it and the culprit gets off scot-free as a result of that negligence. It seems to me that if that ever happened the Attorney General (Mr. McMurtry) would be rather upset and would want to do something about it. He would certainly want to know why that had happened, but we have a case which is, in my opinion, very much analogous in that the evidence of the lead data analysis task force was not made available to the Hearing Board.

That evidence could establish conclusively that the source of the pollution was the refineries, the lead plants, and that was established beyond a shadow of a doubt by the lead data analysis task force. Since the Hearing Board did not have that evidence, they could not come to that conclusion. As a result, they made a series of rather scurrilous and gratuitous slurs about slovenly housekeeping habits of residents of my riding and of other ridings, to which they attributed lead contamination,

rather than to the facts of the situation; that is, to the pollution from the lead plants.

The second major fact that the lead data analysis task force established conclusively was that there is a positive correlation between excessive blood lead levels and soil lead of 1,000 parts per million. That second major piece of evidence was also not made available to the Environmental Hearing Board. As a result, they established a safe level of soil lead contamination of 3,000 parts per million.

In two key matters that are really crucial to the whole issue, the Environmental Hearing Board's final conclusions were totally inadequate. I want to know from the minister why the work of the lead data analysis task force was not made available to the hearing board?

Hon. Mr. Kerr: Mr. Chairman, I really don't have anything new to add. The hon. member referred to a previous answer that was given. The fact is that there was some urgency on behalf of the ministry to the board to issue the Environmental Hearing Board report. It had been delayed some time. There were questions in the Legislature and there was correspondence wondering why the report wasn't available.

One of the reasons for the delay was to wait for the lead blood data analysis task force report. However, the board and the board chairman, who are basically independent in matters of this kind, decided they couldn't wait any longer and went ahead with the printing of the Environmental Hearing Board report and recommendations. There has been a great deal of discussion about that.

The opinion expressed the other night by representatives of the government—I think I may call on Dr. Fitch a little later—was that there was not, in fact, any conflict between the task force report and the board recommendations. Although the board, as the hon. member has indicated, talked about pipes, paint, personal hygiene and habits and things like that, I think the board either explicitly or by way of inference indicated that the plants were the logical source of the problems relating to lead.

They certainly have said that the emissions from the lead plants were the major source of lead in the area of the plants. The board didn't make a blanket statement. It may be that it wasn't as emphatic or definite as the task force.

Mr. Godfrey: It's amazing, isn't it?

Hon. Mr. Kerr: It said that the high blood lead levels in the individuals around the plants

are primarily due to the plants. I think that was straightened out the other night as well. For example, even given certain personal hygiene habits, or the habits that are particularly natural to little children, I think the hon. member will agree that if the lead, for example, is in the soil, regardless of whether or not those children may be putting earth in their mouths—which is a very natural thing for young children playing in a yard—the cause of the problem is lead emissions, not the habits of the children.

Mr. McClellan: I don't have any doubt that we are going to be able to deal with this situation and that the correct information and the correct interpretation and the correct facts will be established if they haven't already been established. I think the evidence is there in overwhelming quantity.

But my concern is not just with the specific failure in this instance of the Environmental Hearing Board to use a major piece of evidence. My concern is that it could call into question the effectiveness of the Environmental Hearing Board process. That's the concern I am trying to get at today. If this kind of sloppiness, this kind of ignoring of key information or key data resulting from the most rigorous of scientific testing of over a million pieces of evidence provided by various public authorities is characteristic in any way at all, then we are in serious trouble in terms of the credibility of the Environmental Hearing Board process. I want to get an understanding from the minister about why this was able to happen.

It's my understanding that there were officials of your ministry who had a foot simultaneously in both proceedings—that Mr. Mulvaney, who was the solicitor for the Ministry of the Environment, simultaneously was an observer at the lead data analysis task force and acted as counsel for the working group on lead at the hearings of the Environmental Hearing Board. So he knew what was going on at the Environmental Hearing Board and he knew what was going on with the work of the lead analysis task force. Surely he would have known that the work the task force was doing was highly germane to the conclusions of the Hearing Board.

Similarly, Dr. Linzon, who I believe also is a member of your ministry, was an actual member of the lead data analysis task force and as well an active participant in the Environmental Hearing Board proceedings throughout. He also would know of the importance of the task force work to the Hearing Board.

I find it difficult to understand how it would be that senior officials of the ministry would not do everything in their power to persuade the Environmental Hearing Board that it should not produce a set of conclusions which did not take into account the findings of the task force.

Hon. Mr. Kerr: I realize, for example, that Mr. Mulvaney would have some connection with at least two of the bodies that were involved in the hearing or study or appraisal of this whole problem of lead contamination. I don't think that really should indicate anything wrong. I think, as a matter of fact, it probably should be a help.

He is there as counsel. He is there to advise on procedure, to advise as to the law. He is not a technical man. He is not a scientist. He would have nothing to do with the writing of the report or the compilation of the recommendations in any of the reports. He knew what was going on as far as the hearings were concerned, and I would think that that would be helpful to one or the other bodies involved in these studies and hearings.

[4:15]

Mr. McClellan: You know as well as I do that one of the major points of contention was simply whether the lead plants were the source or not. That was the major focus of the whole proceedings, and that was the continual thrust of the arguments of the representatives of the lead industry, so he would understand just how central that whole thing was to the discussion. I don't particularly want to finger anybody at all. I am just expressing a real concern in the hope that this kind of thing never happens again.

Hon. Mr. Kerr: I think you must admit this was a rather unique type of commission or investigation, where there were two or three or four different reports in the mill almost simultaneously. Different people were involved looking at different aspects of the problem of lead contamination. Sometimes hearings would be going on regarding one report while another was being considered by a specific committee, dealing for example with blood levels.

I don't think there was any conflict between the blood level data task force and the board as far as the source is concerned. It's a matter of wording really. I think that there is some criticism—I might say severe criticism—of the comment of the board indicating possible sources of lead contamination other than in the presence of the plants. I think the

wording was unfortunate there. The task force didn't go into that aspect of it. They assumed that there was no other rational conclusion than that the lead plants were responsible.

I think, though, that if those hearings were re-opened so that the board could consider the task force report—you are looking at another year and a half of hearings, more witnesses, more cross-examinations—I wonder if all the expert opinion was on the task force as far as nailing the source is concerned, any more than the board which had the advantage of a number of witnesses appearing before it in open forum.

So to answer your question, hopefully this won't happen again. Maybe we need more printers in Toronto or a little more co-operation between two committees dealing with the same subject. Knowing the sensitivity that—and the importance of one report to the other—

Mr. McClellan: With respect, Mr. Chairman, I think the responsibility lies with the ministry to ensure the quality of environmental hearing procedures is improved.

Hon. Mr. Kerr: As the hon. member knows—

Mr. McClellan: I don't assume for a minute that this is going to happen again or that we need to have a repetition of this kind of thing. But you should understand that in such a sensitive area as this, the work of Environmental Hearing Boards and the environmental hearing procedures are going to be subjected to the most intense kind of scrutiny. It has to stand up to it and in this case unfortunately, it hasn't. The consequence is that there's a kind of scepticism in the community with respect to the whole cleanup operation which comes in part, frankly I have to say, from the poor quality of the procedure.

Hon. Mr. Kerr: The only point I would want to make is that one thing we are interested in—I think the Cockburn committee, if you don't mind my calling it that—he's very flattered when I say that. It's like—who was the one on Watergate, the old senator there?

Mr. Biggs: Sam Ervin; the Ervin committee.

Hon. Mr. Kerr: As was indicated the other night at the public meeting, that committee will be considering and co-ordinating both of those reports.

Mr. McClellan: All right. Let me come to that because I have three short points I wanted to make. A number of contentious

issues, I think, have been dealt with either at the level of the Cockburn committee or, more happily even, at the public meeting we had last week, but there is still a number of contentious issues outstanding.

Let me just touch on three of them rather quickly. One of these has to do with the enforcement of pollution abatement control orders. At the public meeting last week, I raised the question of enforcement of the order requiring a building to be constructed over the working pile at Toronto Refiners and Smelters. That order was originally issued in April, 1975. It matured, as you like to call it, on October 31, 1976, and was extended. We were promised on November 4 that the building would be completed within the week.

This is the major source of lead contamination at Toronto Refiners and Smelters—this working pile—and when I raised it at the public meeting, nobody from the ministry seemed to know whether or not the building had been completed, which leads me to ask you who is monitoring the enforcement of the control orders. Surely, at this point in time, you must be on the company's back, on a daily basis if not on a weekly basis, making sure that the damn things are being complied with.

Hon. Mr. Kerr: Would you answer that, Mr. Cockburn, please? I might say, Mr. McClellan, that, as you recall, we had some help from a member of the audience who said—just made the remark—"the roof isn't on yet."

Mr. McClellan: Yes. My point is that you should know whether or not the roof is on, and I want to have some understanding of what kind of monitoring you are doing to enforce your own control orders.

Mr. Cockburn: Cockburn, central region. It is true that at the meeting last week the people in attendance did not know the status of the building. This was because the inspectors who are in and out of there pretty regularly were not in attendance at that time and we hadn't had a chance to see them. As of yesterday, there still remains a portion of that roof to be finished. It is approximately 12 feet square and the tile is there and the workers are at it. As far as we can tell, that will be finished either tonight or tomorrow morning and all the work on the building, the exterior part of the building at least, will be completed by the end of this week.

Mr. McClellan: What is the date of the extension of this particular control order?

Hon. Mr. Kerr: It's the end of January for the stack. Is that what you are asking?

Mr. McClellan: No, not for the stack; for the building Mr. Cockburn was referring to.

Hon. Mr. Kerr: I don't think that was ever extended, was it?

Mr. Cockburn: This wasn't extended past the October date.

Mr. McClellan: It was not? There's even more urgency. I assume this is the last time we will have to raise it since we have been assured that this week that source of lead pollution will finally cease. If it doesn't, there is going to be hell to pay.

The second thing I want to raise is the question of fugitive dust sources which Mr. Walter Lapeike and others have raised both to the Cockburn committee and at the public meeting last week and which I raised in the House in early November. It makes very little sense to me or to the residents to clean up their soil, to replace the soil in their yards, soil which is contaminated, and not clean up the soil in adjacent vacant lots. The dust which is contaminated to the level of 4,000 parts per million in some of these vacant lots continues to blow around and recontaminate the area.

I assume that's something that will be discussed again by the Cockburn Committee. But since it's been discussed already at least twice and again at the public meeting, it seems to me what we need at this point is a commitment from the ministry that not only will the soil in the yards of homes be replaced, but also the soil in the vacant yards and at the Toronto abattoir, the so-called fugitive dust sources as well. I'd like to have a response from the minister.

Hon. Mr. Kerr: As the hon. member knows, if we make a commitment now regarding all fugitive dust sources, and I assume you're talking about parking lots, right of way, vacant lots, maybe parks and all these public or even private lands, you're talking about a very expensive proposition. As the hon. member knows, the figure we have for replacing contaminated soil in those homes that have a level of around 3,000 parts per million and more is something around \$200,000. If we get into all the fugitive dust sources, we're talking about something a little over \$1 million.

Our concern and our objective now, as Mr. Renwick has indicated and urged us to do, are to get at the job of replacing the soil of those homes where the levels are at 3,000 parts per million, in other words, to make some arrangements with the tenants or homeowners that on such and such a date in 1977 the work is to be done. That is our objective.

We don't want any further delays. If the people are sincere about wanting their soil replaced and wanting some improvement, then we want to get on with that preliminary objective.

Whether or not we go below the 3,000, for example, is something that a bioavailability study will assist us in making some sort of a decision in that way. I don't see any reason why we can't consider and look at certain fugitive dust sources, particularly those that may be close to the homes in question, where there is no type of buffer, whether it's a building or a fence or a street. If it's adjoining a street or a line of homes that have high dust level readings, then it may be natural that that right of way or that boulevard or the space between the curb and the sidewalk, if there is that in that area, should be looked at in the event that the readings are high.

[4:30]

I'm just being very frank and practical here. If we are hoping to get some type of commitment from the companies to share in the cost of this programme, then the cost has to be acceptable and realistic, at least initially. We may still be involved in future hearings or in litigation. The company apparently has taken a stand now—and Mr. Cockburn might comment on that—that really there is no real hard evidence that contamination in soil on a level of 3,000 parts per million is harmful to anybody. That can cause quite a lengthy hassle. It's a matter of who among the experts is right. I want to avoid that, because I think we have an objective, a commitment and a responsibility; that is, to clean up those homes where there is some urgency.

I'm not writing off or precluding the possibility of dealing with some of the fugitive dust sources. I think you should consider the fact that by next April we hope to have all of these plants within a programme whereby they will in fact have completed the work we have required them to do as far as emission controls are concerned. Therefore, hopefully, the dust will be minimized from those plants in the future. If the contamination is in the soil in those fugitive dust sources, maybe blowing of dust may not be a problem in the future, as it has been. This is a very lay opinion or lay comment.

Mr. McClellan: What I'm relaying to you is a persistent and insistent demand from people in the affected area. I'm not manufacturing this; I'm simply reflecting it. It's not going to go away; the reality is that when Walter Lapeike goes into his backyard—and

he's already had his soil replaced—he can't stay out there because of dust that's blowing back into the yard covering his picnic table and that kind of thing. It's something that the ministry can't pretend isn't there. You can't stick your head in the sand because you are sticking your head into lead-contaminated sand.

Hon. Mr. Kerr: But if it is blowing about, removing the soil may not answer Walter's problem.

Mr. McClellan: You are going to have to address yourself to it. You can't just simply say, "Oh, the companies would scream if we tried to deal with this one." You're going to have to deal with it; that's simply a reality. I suggest that you start to do that and come up with some suggestions that we can bring back to the Cockburn committee and kick around, because if you continue to just ignore it, fundamentally it's going to impede the work of that committee.

I've taken more time than I intended to take. Let me just conclude by raising the question of the safe soil lead levels. It seems to me the lead data analysis task force is pretty unequivocal in saying that 1,000 parts per million is the safe level. However, I want some clarification. If I understand correctly, your bioavailability study will determine a safe soil lead level and that will be ready within some three months, when it will be available to govern the soil removal programme. Is that correct?

Hon. Mr. Kerr: It is my understanding that those tests will be available about March. It takes about three months—December, January, February, March—by March, anyway.

Mr. McClellan: Three months? That's three months for you.

Hon. Mr. Kerr: Nobody works in December, you know that.

I guess a bioavailability test doesn't necessarily say conclusively whether or not the level should be 3,000 or 1,000, but it will assist the committee greatly in making that decision. Would you say that's the answer?

Mr. Cockburn: Yes. We are working on the basis now of the 3,000 being the upper limit, plus or minus the 13 per cent; hopefully, before we get started, the bioavailability study may dictate that we have to look at a lower limit. But at this time we're not considering it until we get those results.

Hon. Mr. Kerr: My plea is that I just don't want another growing season to go by before

any soil is removed or anybody has had his particular problem rectified. It's like a court case with all kinds of motions and counter-motions that tend to frustrate and delay—at some point somebody's just going to throw up his hands. We've got some degree of agreement now within the committee which includes the companies. We have the Environmental Hearing Board saying this is the level—there is some disagreement about that on both sides, whether it's too low or too high—but at least they're prepared to accept that for these homes and the question of contribution on a one-third, one-third, one-third basis.

I just want that to go ahead and—

Mr. McClellan: I don't think that's the source of delay at all; that may be a second stage. Frankly, the source of delay is very simple—it's been the delay in having the pollution abatement orders enforced. It's that pure and simple. Nobody wants to have his soil removed while the lead pollution continues unabated, and that's been the problem. Hopefully, we're nearing the day when the source of lead pollution in this city is brought under control.

Hon. Mr. Kerr: So, hopefully, we're nearing the day when a city like Toronto has better planning and zoning, that it doesn't allow factories next to homes or vice versa.

Mr. Haggerty: You should go look at Union Carbide and the houses built just east of that in Welland.

Hon. Mr. Kerr: Yes, but that was years ago.

Mr. Haggerty: No, they've just built new ones.

Hon. Mr. Kerr: Oh, have they? Non-conforming use?

Mr. Haggerty: They didn't get your message before.

Hon. Mr. Kerr: Maybe we should speak to somebody on the Welland council.

Mr. Haggerty: You should go out there to the location of the new Welland Canal, for example—west of that to Union Carbide. A new subdivision has gone up in that area, and eventually Union Carbide may get back into some other type of structure emitting foul air.

Hon. Mr. Kerr: Are they company homes?

Mr. Haggerty: No, I don't think they are. But they're not getting the message. Maybe you should be stronger in your appeal, and there should be more direction to them.

Mr. Reed: Mr. Chairman, my colleague, the member for Huron-Bruce, has covered a great deal of the material very well and I'll try not to duplicate anything he's done. I would just like to call your attention to a couple of matters.

About a month ago, I read in a local weekly where I live—I should have clipped the article and brought it in—that a member of your ministry had been out on a speaking engagement to the local chapter of Pollution Probe. He had been discussing the deleterious effects of the farm pond and pond water in general. Quite a message came home to me when I read that article, because he delivered the talk within a mile of a sewage plant that is delivering upwards of three million gallons a day of warm, chlorinated effluent plus quite a considerable quantity of raw sewage which is chlorinated in the final stage.

Hon. Mr. Kerr: What plant is that?

Mr. Reed: That's the Georgetown plant. It brings up two problems. One is the priorities of this ministry—the things you consider to be more important and so on. I realize you're dealing with a tremendous range of environmental problems and questions, but in relation to the sewage plant there were just a couple of items I wanted to ask you about.

One is the fact that we recognize, apparently, with the technology we are using and accepting for our sewage treatment, that we're limited in growth by our toilets. There is a pretty classic example in Georgetown. The plant has run over its originally constructed capacity for about 12 years. There is an addition going on which will now bring the capacity of the sewage plant up to I think what is considered to be the environmental maximum for loading the river.

Hon. Mr. Kerr: About six million gallons, isn't it?

Mr. Reed: I don't believe it brings it up to six million, Mr. Minister. It's bringing it up to about three million, which is really double the present rated capacity of that plant. The plant has been running well over capacity for many years.

Recently, there was as well a statement attributed to the Ontario Municipal Board that the projected limits of growth in that town had been reduced from an originally projected 30,000 to 25,000. That's the first question that I'd like to ask you. Who controls those limits and where can they be found?

What we fear in an area such as that is that if growth continues on the basis that it

has in the past, the sewage plant addition will soon be at its maximum. Where do we go after that? Do we simply allow a certain amount of growth to take place in hopes that the overloading is not too severe? Do we investigate alternative technology for handling our sewage to allow growth? Or do we simply stop growth? There's a good deal of confusion in that community at the present time just about where their limits are and there is obvious confusion in information.

So that's the first question. Where are the limits of growth, how are they established and who really controls growth limits?

The other reference I would like to make is to PCBs, Mr. Minister. It was indicated to me last April, I believe it was in a telephone conversation with a member of your ministry, that there was some suspicion that PCB-like chemicals, that is, polychlorinated biphenyls, could be actually manufactured in the final stage of the effluent programme you have now, where you inoculate the effluent with chlorine. I wondered if there was any further information on that suspicion that has been indicated to me—if in fact there are PCBs or PCB-like materials being manufactured by the chlorination of the hydrocarbons in the final stage of effluent treatment, or if it has been definitely established that they are not being manufactured in that final stage.

Those are really the only two basic questions that I have.

Hon. Mr. Kerr: All right. Dealing with the first one: When we are involved in the construction or expansion of a plant, before the contract is let, for example, and during the planning stage and so on, a population figure is arrived at, a general gross figure. In other words, this would be in conjunction with, for example, the region of Halton—the town of Halton Hills, I suppose, would be involved; or Georgetown, the old town—as well as the ministry. The contract, if it was, as you say, for a capacity of three million gallons per day, then the question of population, the extent of growth would have to be considered at that time to decide whether or not the three million gallons per day was sufficient. Then there's a decision as to an ultimate population figure. The plant, therefore, goes ahead and they increase the capacity to—

[4:45]

Mr. Reed: To whatever it is, yes.

Hon. Mr. Kerr: —to whatever it is. The question of subdivision approvals and building permits and this sort of thing is really a local matter and it would involve, I would think,

both Housing and TEIGA. Certainly, after the plant is constructed and there are requests for approvals, our ministry is always involved. We're always asked to comment. At some stage, after monitoring and checking the efficiency of that plant and its capacity and the information from metering and this type of thing, then the ministry would comment on whether or not that subdivision should go ahead, whether it should be approved, partially approved or otherwise.

So there's a pretty good handle on it. It's doubtful that the growth figure that may be established by the Ontario Municipal Board, the local planning board, the region or Housing, will be exceeded. If there's some way, by some type of mechanism, a change or alteration, we can increase the capacity of that plant, hopefully with some new technology, it may be that the population figure could be altered. I think the objective we have within the ministry is to make sure that there is always some surplus capacity wherever possible and we don't get into the situation that we have with the present plant in Georgetown where—

Mr. Reed: This is precisely what I am trying to get at.

Hon. Mr. Kerr: Yes. Where you don't have complete treatment. That's a problem. We aggravate the problem to some extent and then, of course, you're into a costly expansion.

Mr. Reed: I guess what I'm trying to get at is that the rated capacity of the plant when it went into operation was a million and a half gallons a day and it has exceeded that for many years and it's handled it. It's done the job insofar as it could do it, but, of course, now when we get over the three-million mark the bypass pump goes on and away she goes and every time it rains you're in the soup. At least all the property owners down below are in the soup.

The fear I would express to you is that we make this expansion, the expansion allows for at least a reported increase in population of not too many more thousand than we have now—perhaps another 4,000 people at the outside, before we will actually reach the rated capacity of the new expansion—and that expansion, incidentally, won't even be completed for another couple of years, so it may come on line just about the time that population level is reached.

I wonder where the ultimate control lies in terms of deciding what's the end of the line here. Is it your ministry that makes that

determination, or will it be TEIGA, or the Ontario Municipal Board?

Hon. Mr. Kerr: The actual approvals, the stamping, is in the plans administration branch of the Ministry of Housing.

Mr. Reed: Is it on your recommendation?

Hon. Mr. Kerr: We're involved. We're asked to comment, along with 150 other agencies, boards, commissions, ministries and so on, and now with environmental assessment, you know, there may be another 200 added to that. You never can tell, but I'm sure most people give up half-way along.

Without being facetious, there is all kinds of protection. We're asked to comment and if we comment adversely, I would say for the most part the project doesn't go ahead. The actual ultimate authority, the person who correlates all of these comments and opinions to make the decision, is the Minister of Housing (Mr. Rhodes).

Mr. Reed: Okay. Thank you for that answer. There was just one other question regarding information I had been given from a member of your ministry that they were investigating the possibility of the combination of the hydrocarbon chlorine in the final stage of your present technology, actually manufacturing PCB-like material.

Hon. Mr. Kerr: Yes, there was an article in this morning's paper and it indicated that—

Mr. Godfrey: But we don't believe the papers, Mr. Minister. You told us that yesterday.

Hon. Mr. Kerr: Wasn't that this morning? There was something in this morning's paper about—

Mr. Reed: I didn't see it this morning.

Hon. Mr. Kerr: I know, but there was an article this morning about CBs.

Mr. Makarchuk: It's a good thing your staff reads the papers.

Hon. Mr. Kerr: CBs are highly toxic, but that's pretty well the same thing. We are conducting experiments, as the article indicates, by our research co-ordinator and the idea is we're adding certain material to kill bacteria and the question is, are we, in fact, creating something different.

Mr. Reed: Yes.

Hon. Mr. Kerr: The article indicates that we are not. That we're not creating PCBs by

the addition of chlorine, for example, to sewage.

Paul Foley, you're the expert, you were quoted extensively in this article—I couldn't get a *Globe* this morning after 9 o'clock—so tell us all about it. Paul is a graduate of Burlington High School.

Mr. Reed: Which one, George?

Mr. Gaunt: That's a recommendation if I ever heard one.

Hon. Mr. Kerr: That's when there was just one.

Mr. Reed: Which high school in Burlington?

Hon. Mr. Kerr: The same one as Tony Gabriel—Burlington Central.

Mr. Gaunt: He is getting better all the time.

Mr. Foley: Tony is, anyway. The ministry has been examining plant effluents for PCBs, in and out of sewage treatment plants. The method of measuring these is with an instrument called a gas chromatograph, which puts out a scan that you can look at and it will tell you how much of various substances are present, but it doesn't make a positive identification. On the basis of the GC scans of a great many of the waste treatment plants in the province we don't see any indication whatsoever that PCBs or PCB-like substances are being produced. We don't have the positive identification.

When the question was raised some time ago and as part of our own programme, for that matter, of eliminating those things that might be sources for PCBs, we decided we would take a look at a number of specific plants where there was a possibility of there being a situation where PCBs could be produced, and we would examine these not only by the method I just mentioned but by additional techniques which would identify the specific organics that were present. That is the programme we're presently undertaking, and we don't expect it is going to show that PCBs or PCB-like substances are, in fact, generated by chlorination of waste treatment. That's our own feeling.

Mr. Reed: In your studies of effluent and so on, are there any deleterious substances or is there anything deleterious about the chlorine process itself? There has been some question brought up since we know that in Europe there are other technologies used for killing the bacteria in effluent before it's re-

leased. I just wondered, for instance, what would their reasoning be for using—

Mr. Foley: I would suspect you're referring probably to the ozonation.

Mr. Reed: Ozonation, yes.

Mr. Foley: Right. The ozonation process is used principally in water treatment as a means of destroying taste and odours. It is much superior to chlorine for that particular purpose and it is for this reason that it is used in the city of Paris; the water source at that point just creates objectionable odours and the only way of getting rid of them is by ozonation. What isn't known—and the French admit this themselves—is what adverse products are produced by ozonation.

The problem facing the water industry today is, let's not jump out of chlorination, which at least is a devil we know, into ozonation or ultraviolet radiation or into chlorine dioxide or any other of a number of different materials that are suitable for use as disinfectants, and about which we know virtually nothing. We only know the good things they do; we don't know the bad, as we do with chlorine.

At this point all of the world-wide agencies are looking at the alternatives to chlorine—the disinfectants that are available—to see what the adverse effects are; they're not saying "Let's put them in and we'll find out as we go along." Chlorine has not, I think, at this point demonstrated itself to be the devil it was initially portrayed to be. Most all of the carcinogens that have been identified today are not produced by chlorination of waste or by chlorination in drinking water.

So I think for the moment we feel we have a little breathing space. We are not under the pressure we were last November when the results first came out on the situation in New Orleans, and the identification of the many products that were found in that water. I think that is an atypical situation. You look upstream from New Orleans and you'll probably find plants that produce these kinds of products and that is the probable source of them. Certainly researchers in the meantime have identified that they aren't produced—let's say the evidence is mounting. It isn't conclusive, but it is mounting.

Mr. Reed: In other words, it is mounting on the side of chlorine.

Mr. Foley: It's mounting that chlorination has not produced these substances—

Mr. Reed: Yes, that's what I'm getting at.

Mr. Foley: —in a drinking-water plant or a waste-water plant.

Mr. Reed: So you can say pretty safely to this point that you have not found any evidence that the chlorination of effluent—even the small bits of hydrocarbon that go through—is actually producing any chlorinated biphenyls?

Mr. Foley: That's right, very definitely.

Mr. Godfrey: A supplementary question, Mr. Chairman: What is the budget for that experiment?

Mr. Foley: It doesn't even have one.

Hon. Mr. Kerr: It's unlimited.

Mr. Godfrey: It's an ad hoc investigation?

Mr. Foley: No, the PCB programme is—gosh, I've never added up the individual components in it, and I couldn't tell you what it is.

Mr. Godfrey: Possibly, Mr. Foley, I could come to the point: I think you are most likely going to come to the conclusion that chlorine is innocent and I wanted to make sure you have sufficient grounds for reaching that conclusion. You are testing the effluent. Is there any possibility you could have the chlorine acting on hydrocarbons after it has left the run of the effluent—that is, farther out in the lake? You have a different oxygen concentration in one place and the other. You are working with bacteria. Are you quite sure that chlorine could not act—

Mr. Foley: I think you could say unequivocally that the answer to that is we are not addressing that question. There is no possible way we are addressing it with the programmes to which I just referred. We are looking at the sewage plant itself—separately from that we are looking at chlorine disinfection procedures. These are procedures for implementation in plants to utilize chlorine to provide for a maximum of disinfection and at the same time to provide for a minimum of the—let's call them side reactions or adverse reactions that we have just been discussing.

[5:00]

Mr. Godfrey: I just wonder, though, have you been looking at other possible sources of generation of PCBs because I'm quite sure it's come to your minds, as well as to some others, that PCBs must be manufactured in our environment? This can't all be the result of dumping. Has that thought occurred to the ministry and are you looking at that?

Mr. Foley: I think the PCB programme, as I say, is a very broad-based one. What in effect we are doing is we have said there are PCBs. They are in the atmosphere and they are in the lakes. We find them everywhere we look. How then can we identify where they are coming from? The only way I think we can take a logical approach is to keep chipping away and saying it isn't coming from here, it isn't coming from here and it isn't coming from there.

Mr. Haggerty: Why don't you accept one of the recommendations of the International Joint Commission on the Great Lakes water quality agreement? One of the suggestions from the Upper Great Lakes reference group recommended a total ban on the sale, use transport and manufacture of PCBs, aldrin and dieldrin. They're carrying out a \$14-million study. Surely at \$14 million if you are going to give a recommendation like that, the minister should be moving in that direction. You must know the source it came from.

Hon. Mr. Kerr: We do. As far as the manufactured products are concerned, we know the source. As you know, we've eliminated the open system. As far as the closed system is concerned it's pretty well involved in Hydro with transformers and precipitators and things of that nature. We are not aware of any other use of products containing PCBs except in that general line. All I wanted to say is that Hydro has indicated, as a result of a submission I made to the minister, that with a 12-month lead time, they would discontinue the use of those products that contain PCBs.

Mr. Haggerty: Is Hydro the only one?

Hon. Mr. Kerr: It is the only one we're aware of. We've eliminated the other sources, such as in printing inks, lacquers, paints and things of that kind. There's only one manufacturer, as you know, of products containing PCBs, and that's Monsanto. It's not manufactured in this country; it's imported. Ontario can go so far, but if it is being imported it requires the federal government probably under either its ordinary customs regulations or under the new Environmental Contaminants Act to prevent the importation of those products into Canada. I think the States are moving, from what I hear within the Environmental Protection Agency. Monsanto has indicated as a result of an edict from EPA that it's not necessary to use PCBs in certain of its products.

Mr. Haggerty: What happened to that study taken of the chemical plants on the

American side along the Niagara River, just about Niagara Falls, New York?

Mr. Chairman: Mr. Haggerty, would you leave that question until later and let Mr. Reed continue?

Hon. Mr. Kerr: That's Mirex.

Mr. Haggerty: I thought I'd ask a supplementary question. Mr. Reed has only five more minutes to go until we have to adjourn.

Hon. Mr. Kerr: The bells are ringing. Is that a quorum?

Mr. Chairman: At 5:10 we adjourn for the vote.

Mr. Reed: There's only just one small outgrowth of the conversation that has taken place. I was quite shocked to discover at our local sewage plant that in February 1976 the bypass pump at that sewage plant ran for 60 minutes in total in a month. That's a low flow month; that's February. There is no spring rain to enhance the flow and so on and that pump is capable of 1,000 gallons a minute. That meant that in the month of February 60,000 gallons of chlorinated raw sewage went into the Credit River. I did look at some of the other figures in that log book to see how many hours that pump had run. The question that bothers me very much is, with the programme of sewage treatment you have, how much of it gets treated and how much gets pumped around the bend raw?

Hon. Mr. Kerr: The problem there is unlike the problem in Burlington, by the way, where there was a question of a valve. There wasn't a bypass of untreated sewage. All we were doing was bringing in Hamilton Bay waters through the plant again.

Mr. Haggerty: That's a much better way.

Hon. Mr. Kerr: That was bypassing the plant. That, by the way, is not known but that's the information I have now.

Mr. Godfrey: Could you tell the difference?

Hon. Mr. Kerr: A little bit. The problem is the question of capacity. I'm a little perplexed that this would happen in February, but it usually means there is extra capacity. It means they're bringing connections on stream that aggravate that capacity. Whether we had a February thaw or not that might cause that, I don't know. Or whether a dam upstream broke—you would know that.

Mr. Reed: Yes, sir, I would know that.

Mr. Mancini: He watches it in his spare time.

Hon. Mr. Kerr: That's why we have to be careful, regarding the capacity of plants, of allowing a certain amount of growth and, therefore, making it possible during certain times for this bypass to take place. Sometimes I wonder if it's the operation of the plant itself, whether this is the cause of it, whether it can be prevented in some way, particularly if, in fact, there are conservation dams or sluices or other things along that stream that might assist in minimizing that.

Mr. Reed: No, actually the way the setup is at this particular plant, there's no chance of river flow getting into the system.

Hon. Mr. Kerr: I'm thinking of storms, when I'm talking about that.

Mr. Reed: What they're plagued with, perhaps, is a certain amount of storm water

which does activate the bypass pump. One just wonders when you see something like that in February how much you've got in April or May. What percentage of the waste we have is actually being treated? Are we running at 80 per cent or 90 per cent? If we're running at 90 per cent, that means 10 per cent of all our waste is still going raw.

Mr. Haggerty: It's like that in a number of municipalities.

Hon. Mr. Kerr: On that cynical note, Mr. Chairman, it's time to go.

Mr. Chairman: Mr. Mancini will be the first speaker after we come back, so if he'll be here first, we can start. There are only 11 more to speak in this vote. We sit to 10:30 tonight and 10 to 12:30 tomorrow and 2 to 5.

The committee recessed at 5:10 p.m.

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Ministry of the Environment officials taking part:

Biggs, E., Deputy Minister
 Cockburn, P., Director, Central Region, Regional Operations Division
 Foley, P., Co-ordinator, Development and Research Group, Pollution Control Planning
 Mills, G. H., Director, Water Resources Branch
 Wilson, D., Supervisor, Pesticides, Pollution Control Planning



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SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
THE ENVIRONMENT

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, November 30, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

TUESDAY, NOVEMBER 30, 1976

The committee met at 8 p.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT

(continued)

On vote 1902, environmental assessment and planning programme:

Mr. Chairman: I see a quorum, so we might as well get started. The intention of the committee is to see if we can finish vote 1902 tonight, 1903 tomorrow morning and 1904 tomorrow afternoon.

Hon. Mr. Kerr: Just keep your answers short.

Mr. Chairman: There are 12 speakers listed so far for vote 1902. That means each of you has about five minutes. We'll start with Mr. Ruston.

Mr. Ruston: Thank you, Mr. Chairman. I'm sure that if they're all as brief as I am, you'll be finished by tomorrow afternoon.

I was just saying that Fighting Island and the smog from the United States now kind of come over into my riding. As you might be aware, my riding boundary was moved extremely to the west last September so I take over an area that Mr. Burr used to be speaking to you about a number of times. I think you'd probably feel disappointed if I didn't bring it up, and I suppose you have some answers for it.

There have been a number of reports in the paper and different things with regard to the problem of the smoke and smog and so forth from the United States which come over to the west. We call it the west end of Windsor, but actually it's the township of Sandwich West where it seems to hit pretty bad in that area at times. We do know it's better than it was 10 years ago, but it's still sometimes quite bad. That's just one of the things, the air pollution from the United States and how we're resolving the situation through discussions with people in the United States.

Also, what's the situation on Fighting Island as to what we're putting in there now and what standards have you set up for that at this time?

Hon. Mr. Kerr: Mr. Chairman, as the hon. member knows, this is a waste disposal site on a rather unique piece of land in the Detroit River. The island is in Canadian territory, but is leased by US companies. We are monitoring the disposal there of industrial liquid waste, for the most part in what is, in fact, a large lagoon. There was some concern in recent years regarding leaching from that site into the Detroit River. They were required to build up the walls around the periphery of the lagoon. My information, as recently as three or four months ago, is that the waste is being contained there, that it isn't detrimentally affecting or leaching into the Detroit River. There is continuing controversy, mainly because of the idea that American companies are disposing of waste on what is Canadian property. That has continually annoyed people, particularly in the Windsor area. Doug McTavish, do you want to comment on that?

Mr. McTavish: I don't think I can add too much to that, Mr. Minister. The chlorides are a little higher, of course, in that area, but I think basically the way you've described it is what we're experiencing now.

Mr. Ruston: There's a supply that's going in there now. Are they building up higher walls to maintain it? Are we building in a larger amount each year? Is it increasing? It must be, I would assume.

Mr. McTavish: Yes, it's building up.

Mr. Ruston: What do we do eventually? What's the answer in the long run, over a period of the next five years? There's an interesting point to propose. Do we keep on raising the level? I hope not.

Hon. Mr. Kerr: Mr. McTavish, does that operate as we would a normal lagoon system? Is there any flushing from that site?

Mr. McTavish: Yes, there are chlorides that are released from there in the liquid effluent that escapes. But it's basically containment, as you've described it.

Hon. Mr. Kerr: I must say I haven't had any complaints or concern shown by your colleagues from that area, or from Mr. Burr recently.

Mr. Ruston: It's just something I've been wondering about. I flew over it on one occasion a number of years ago. I'm just concerned about where we're going in the future on it. That's fine for now.

Hon. Mr. Kerr: Dick, I think the look of the thing is what concerns people—

Mr. Ruston: Oh, yes, and naturally I'm concerned—

Hon. Mr. Kerr: —particularly if you're flying over it. If anything did happen and there was a breach in that wall there would be at least a minor catastrophe until it was repaired. There are various cells, as you know. The stuff that comes in there is put in one cell and then as there is improvement as a result of treatment it moves into other cells. Dennis, do you want to add anything to that?

Mr. Caplice: No, other than that at a certain stage in the future they're going to have to get off that island. They have had several areas now that have been utilized over the last number of years that have been rehabilitated and vegetation is growing on them. So the island does have a limited capacity to contain these solid wastes. In the not-too-distant future, I think BASF-Wyandotte are going to have to make up their minds about long-term disposal of their wastes. The island is about three-quarters utilized now and there's some part of it that they've retained for their own use.

Mr. Ruston: That's fine: How are we making out with agreements or discussion with the United States with regard to the smog, smoke or dust or whatever we want to call it?

Hon. Mr. Kerr: You're aware of the agreement that was signed in 1974, when Premier Davis and Governor Milliken of Michigan—

Mr. Ruston: That's right, yes.

Hon. Mr. Kerr: —signed what is called, here we go again, a memorandum of understanding—

Mr. Ruston: We've heard that before.

Mrs. Campbell: Another thing to go over.

Hon. Mr. Kerr: —on transboundary air pollution control in southwestern Ontario, southwestern Michigan area. That was a result of complaints, again mainly on the Ontario side, regarding sources of air pollution from Wayne county. Wyandotte Chemical was one of the major sources. It was also as a result of that private action taken by a group of Canadian citizens regarding sources of pollution in Michigan. The accord, as we call it, has resulted in the exchange of monitoring, an exchange of investigation and voluntary reduction of emissions—for example, during adverse weather conditions, there's agreement that certain criteria will be met. It's a control programme which is the same on both sides of the border.

For example, Detroit had planned to build some sludge incinerators which could be a source of air pollution on the Canadian side. The plans and designs of those incinerators were sent to us for comment and, we were able to make or suggest some changes and some certain types of emission control which were installed by the city.

That accord, of course, is also sort of part of the International Joint Commission control of transboundary air pollution. It's part of the monitoring both at Windsor and at Sarnia.

I think that's working and I think the air monitoring, the index which averages frequencies of excesses over a 24-hour period has kept, shall we say, both sides in line. There's not the individual or unilateral type of monitoring which went on before when there was some question of whether or not it was accurate and whether the figures were acceptable by the other side. That's been working since this accord was entered into by the province and the state.

Mr. Ruston: Okay; thank you. As far as going over the whole vote is concerned, pollution and so forth, the sewage treatment plants you've got going now at Belle River, that's fine. We would hope that by next spring we'll have a commitment, if money is available, to Sandwich West and, I think, Maidstone township—a portion of it that is going to be in with Belle River—and Stoney Point which is in Tilbury North. Otherwise, I think, if we can get a little money next spring in the new budget, we won't bother you too much, maybe, for a while. I think that's about all I've got, Mr. Chairman.

Hon. Mr. Kerr: You have three, have you?

Mr. Ruston: Three, yes.

Hon. Mr. Kerr: Three. All right; we'll keep that in mind.

Mr. Ruston: Yes. Good. I thank you.

Mr. Haggerty: I have about four or five questions I'd like to discuss with the minister. First of all, I want to ask him one question. Is the drinking water now being pumped through our local municipal treatment plants actually suitable for drinking purposes? Is there a risk involved with all the chemicals which are being dumped into our waterways and streams? For example, the asbestos fibres, the PCBs, what effect do they have on a person's health?

[8:15]

Hon. Mr. Kerr: I'm told our purification plants are such that the water is safe to drink. The recent reference to PCBs and even chlorination and the concern shown by some municipal politicians at this time of year are not really valid. Chlorination is as good a method as ozonation or—Pardon?

Mr. Makarchuk: You haven't got a home owner's grant to give away?

Hon. Mr. Kerr: No, but they've got arenas to repair and things like that.

Seriously, chlorination is still considered the best method—

Mr. Haggerty: Yes, but that doesn't remove the chemicals in the water, does it, chlorination?

Hon. Mr. Kerr: I think that—

Mr. Haggerty: All you're talking about is the coliform bacteria.

Hon. Mr. Kerr: I think the treatment—

Mr. Haggerty: Can you assure me that monitoring is being done every day as it relates to the chemicals in the water today?

Hon. Mr. Kerr: Go ahead, Ken; you're on stage.

Mr. Sharpe: We monitor raw water samples regularly at these plants but that isn't on a daily basis. At the larger plants, the municipalities' works departments monitor—

Mr. Haggerty: Are there any potential hazards in the water you monitor?

Mr. Sharpe: From all the information we've gathered to date, we feel the water after treatment is safe to drink.

Mr. Haggerty: After—

Mr. Sharpe: It is absolutely safe.

Mr. Haggerty: I can relate an instance—I don't like to keep mentioning International Nickel Company—"at an industry," let's put it that way; remove the words "International Nickel Company." They'd taken samples of water the men were drinking in this particular industry and from all the reports of the medical officer the water was satisfactory to drink. But when further tests were made of the quality of water, and this was by the Ontario Water Resources Commission, the water was found to be unsuitable because of chemicals which were discovered in the drinking water.

The question I'm asking you is about the chemicals being picked up by each water treatment plant in Ontario. When you look at the reports and studies which have come out, even by your present ministry, about the fish in Lake Erie, for example. There's been a high increase in PCBs and other chemicals.

I refer to the fish which are scavengers, the suckers on carp, which are perhaps 80 per cent above the normal factor of parts per million. If it can be injurious to fish, and I have no doubt the chemicals are in the water, it's going to have some effect eventually on the rest of us human beings.

Hon. Mr. Kerr: I think there's—

Mr. Haggerty: The point is I would like to see some of the cataloguing of the monitoring you've done at the present time. I think there was a report—I don't have it before me—there was a matter raised by the regional municipality of Niagara concerning the potential hazard of chemicals in the water being picked up by the municipal treatment facilities and plants in the region. There was some concern about it. For example, there were traces of asbestos fibres coming all the way from Lake Superior, down the Great Lakes basin; surely all the chemicals being dumped in the Great Lakes right now by industry must have some effect upon the health of the individuals?

Mr. Sharpe: The treatment by chemical treatment, coagulation and filtration adequately looks after asbestos through the treatment system. We've established that.

Mr. Haggerty: That's where you have a filtered system, right?

Mr. Sharpe: That's right.

Mr. Haggerty: That's what I guess you'd call the charcoal bed or something. What about the microscreening system you have as a filter system? Does that remove the—

Mr. Sharpe: No, it wouldn't.

Mr. Haggerty: It wouldn't.

Mr. Sharpe: Microscreening isn't as good as filtration.

Mr. Haggerty: No. Yet in the past municipalities were led to believe that this type of filtered water programme was equal to the charcoal bed.

Mr. Sharpe: No, only by the manufacturers; never by us. We never accepted microstraining to be equivalent to filtration, coagulation settling and filtration. We never did. The manufacturer may have—

Mr. Haggerty: I can tell you that the municipalities which have installed the micro-screen system of purification have been misled. I think, surely, some responsibility must fall on Ontario Water Resources for not speaking up when the municipalities installed this type of equipment.

Mr. Sharpe: The microstraining process was primarily put in to look after algae and that type of solid in the raw water. It was never considered by us in the OWRC days and by the ministry today as equivalent to coagulation, settling and filtration. Having been formerly with OWRC and now with the ministry and being in the water business, I can say that's a fact.

Mr. Haggerty: How many municipalities in Ontario then actually have the filtered bed? That's the charcoal bed or the sand bed and that type of filtration plant? How many municipalities have them and how many are without them?

Mr. Sharpe: I haven't got those figures, but we have the figures. We have that data.

Hon. Mr. Kerr: The only comment I would want to make is that when you're talking about PCBs in fish, and comparing that to the drinking water that—

Mr. Haggerty: Mirex.

Hon. Mr. Kerr: —may be consumed by humans after filtration, as you know, our concern is that PCBs and Mirex are leaching in some way from some type of sanitary fill or as a result of some type of dumping of material at or near rivers or streams that may be flowing into the Great Lakes. This is raw from the point of view that it is untreated, whereas the source of water that is taken in or at the intake pipe of a purification plant may contain a certain degree of the

compounds you're talking about. But then the water is subject to treatment and the treatment, particularly the chlorination, not only in the plant itself but throughout the water system is such that it makes a safe potable water supply to the people that are connected to that plant.

Mr. Haggerty: But you're not assuring me that the present treatment in a number of these municipal treatment plants removes all the chemicals, such as PCBs and Mirex.

Hon. Mr. Kerr: Have we got some figures on the number of municipalities that haven't got treatment? Is that what you're talking about?

Mr. Ronan: We've never been able to detect PCBs in any of the drinking water samples we've measured. Our detection limit is down to the parts per trillion level. In any drinking water we have tested to date, we've never been able to detect the presence of PCBs.

Mr. Haggerty: Have you come across any other toxic agent then that's noticeable in the drinking water?

Mr. Ronan: Earlier Mr. Foley explained that in the chlorination process that certain chemicals can be formed. We have monitored a number of these haliforms and have published our findings in the last year. There were small quantities of chloriform and other haliform compounds which were formed after the chlorination process. This is data which was tabled within the last year.

Mr. Haggerty: In the latest report of the International Joint Commission, discussing water quality in the Great Lakes system, one of the recommendations of the Great Lakes water quality board includes an adoption of specific water quality objectives for a number of pesticides and, it goes on to say, "and the persistent toxic chemicals and metals."

Somebody must be aware of something in the water but they're not actually telling us persons who are consuming the water just what effect this will have on us. There's a warning there. They're spending some \$14 million on this study to trace this.

Hon. Mr. Kerr: Mr. Foley was explaining it this afternoon and, as this morning's article in the Globe indicated, we're consistently testing in our filtration plants, particularly with respect to chlorination to see if the treatment we have will create problems such as CBs and PCBs and other compounds of that kind.

Mr. Haggerty: What other persistent toxic chemicals? Give me a list of them.

Hon. Mr. Kerr: Mirex is a toxic chemical. PCB is a toxic chemical, and mercury of course. Arsenic would be considered a toxic chemical. Those are worked constantly. That's one of the basic things that a chlorination plant would do and one of the basic forms of research and testing that is carried out in our lab at Highway 401 and that Environment Canada is doing at the CCIW plant in Burlington. The Great Lakes Water Quality Board that you referred to gets its information, its data and statistics from our ministry, Environment Canada or the Environmental Protection Agency in the US.

Mr. Haggerty: The Minister of the Environment's press release on July 2, 1976, relates to the Ontario research programme to monitor PCB levels. In the bottom paragraph the Minister of Health advises people not to eat more than one meal a week of these fish. Women who are or may become pregnant should not eat any of these fish. Anglers are advised to skin all fish before consumption because PCBs tend to accumulate in the fat layers under the skin. Indications are that smelt, minnows and suckers are taken as samples. If you give a warning not to eat fish, my main concern is what about drinking water from the lake system. This is all being dumped into the system. Apparently, we seem to sit back and all they can tell us is that we should be looking at the persistent toxic chemicals and metals that are being dumped into our waterways.

Mr. Ronan: I think the factor here is the biomagnification which is occurring and which may be in the tens of thousands, so that what we see in the fish and what may be present at certain point sources of input could be magnified by a factor of tens of thousands, so that it's below any detection limit in the raw water supply. That's why the fish, as earlier mentioned, are a kind of early warning system that there may be very small amounts getting into the environment and that one should try to kind of direct one's attention to minimizing these point inputs.

Mr. Haggerty: You may be quite right about that. I'm concerned about these persistent toxic chemicals that are being dumped in day by day. You can relate it to the paper industry in Ontario where the minister is well aware of that problem. I suppose you can go back to the first water study and the formation of the International Joint

Commission back in 1905 or something. They warned us then, but we haven't made any improvements in the quality of water in our Great Lakes system.

Hon. Mr. Kerr: I think the improvements have been made but unfortunately we have discovered more toxic compounds.

Mr. Ronan: Another factor has been that the sensitivity of the detection limits has made tremendous strides in the last few years, so that now we are getting down to measuring substances in the parts per trillion, one to the minus 10^{12} . We have got the tools to monitor very tiny concentrations and it's usually the recommendations of the agencies such as ourselves that are incorporated into the IJC recommendations to continue monitoring these substances since we have detected them. Usually the persistent chemicals they are referring to are these chlorinated organics, which do not degrade in the environment. There is a whole raft of pesticides, herbicides and chlorinated compounds which fall into this category.

Mr. Godfrey: While Mr. Ronan is still here, I note the Environmental Protection Agency in the United States is preparing to do a survey of drinking waters in 112 cities. They presume they are going to have a level available by February, 1977. Are you au courant with that study and are we preparing to fit into it?

[8:30]

Mr. Ronan: If the study in question concerns the haliforms present in drinking water supplies, we carried out a study in Ontario last year and we published the data. I think there was a statement by the minister about the levels of some of the byproducts formed in drinking water supplies as a result of the chlorination process.

Mr. Godfrey: This applies particularly to PCBs?

Mr. Ronan: As I mentioned earlier, in the samples we have taken of the water supplies to date in the province we have not detected any amounts of PCB, with the detection limit of the method presently used.

Mr. Godfrey: Considering that one-trillionth, one part per trillion, is the accepted level above which you cannot go—and I realize you haven't got that yet—they are doing this survey. Are we doing a similar survey?

Mr. Ronan: We are monitoring our water supply but we are not modelling our surveys specifically after this American one. We do monitor our supplies for most of these organic materials.

Mr. Godfrey: Thank you.

Mr. Haggerty: What about the inland water research centre in Hamilton or Burlington?

Hon. Mr. Kerr: The CCIW.

Mr. Ronan: They are primarily research oriented. We have liaison with their scientists and meet with them regularly to exchange data and we participate with them on the International Joint Commission when all the data available within the province are consolidated. We have lots of rapport with them and we know what areas they are working in and we do have good liaison with them.

Mr. Haggerty: Are there any areas in the Great Lakes basin which are critical, above any other area which is contaminated?

Hon. Mr. Kerr: Yes, I would say that the south shore of Lake Ontario is approaching the level of being critical as far as Mirex is concerned.

Mr. Haggerty: That's around Toronto, is it?

Hon. Mr. Kerr: No, the south shore of Lake Ontario. The Niagara River, Oswego, Waterdown—that area. The source was northern New York and there's a plume—if you look at a map, you can see the buildup of the sediment coming out of the Detroit River and all down the south of Lake Ontario almost to opposite Kingston. That is a result, as I say, of the loss of Mirex over a period of time from Hooker Chemical in Niagara Falls.

I might say that it was my ministry which really discovered the levels of Mirex in certain species of fish and issued the warning last July that you have referred to, about the one meal per week and pregnant women particularly being careful when the levels are substantially above 0.1 parts per million. Outside of coho salmon in this part of Lake Ontario we don't have a problem with any species of fish. They are restocking coho, of course, but they are having a hard time surviving, no question.

Mr. Haggerty: We'll go on to air pollution now. You said, "The Ministry of the Environment plans to make a second survey of coke oven emissions in three major plants following

an initial survey which concluded that economical realistic measures for emission reduction must be given priority attention." That is Dominion Foundries and Steel of Hamilton, I guess, Stelco in Hamilton and Algoma Steel Corporation, Sault Ste. Marie. I have one of your other press releases here in which you were concerned about emissions from the steel company in Sault Ste. Marie causing some difficulties in air and water.

Hon. Mr. Kerr: Yes, we are continuously monitoring that. Where the problem was in-plant, the Ministry of Health, of course, was also involved in monitoring those coke ovens. Now it will be the Ministry of Labour. We intend, particularly in the three places I think you mentioned to continue our surveys.

Mr. Haggerty: Are these surveys taken inside the plant?

Hon. Mr. Kerr: Both inside and outside, but mainly inside. The problem was mainly inside. Certain correctional steps were taken to minimize the dust particularly and workers were required to do certain things, such as wearing masks for certain activities close to the ovens. Certain employees were required to wear certain type of equipment. If the requirements and the directions were followed both by the employees and by the company the problem would be substantially reduced. With this new legislation it will be even more closely monitored.

Mr. Haggerty: You are also going to continue on the outside of the plant itself for that industry?

Hon. Mr. Kerr: Yes.

Mr. Haggerty: What is your concern on the outside areas of these plants? What are you looking for?

Hon. Mr. Kerr: Dust fall, coal dust, any particulate matter, SO₂. It will be picked up in our monitoring system. If, for example the particulate readings are above the level for ambient air quality, the plant, of course, will be advised accordingly and a reduction will be required. Certain steps were requested to be taken, such as covering stock piles to prevent the dust from blowing. There are five batteries in the Stelco Hamilton works, for example, and all these batteries are now fitted with specifically constructed coal charging cars that greatly reduce the evolution of smoke. The collection of smoke created when discharging coke from ovens has been progressively achieved by the latest design of shed. It must have been Shakespeare who

wrote this little report. Due to fear of worsening occupational health risk—

Mr. Haggerty: It must have been a Scotsman.

Hon. Mr. Kerr: Must have been a Scotsman, maybe.

Mr. Haggerty: Are you going to establish any threshold limits?

Hon. Mr. Kerr: Yes, the levels for particulate matter, for example, and certain types of organic chemicals have all been established. Whether it is from coke dust or what have you it has to meet a certain criterion, and if it gets above that then the company is so advised.

Mr. Haggerty: Is your ministry aware of the study that was completed in Buffalo, New York, about 1968 or 1969 concerning the steel industry in Buffalo, and the conditions and the health hazards within the plant and outside the plant in certain areas where the prevailing winds contaminated the air shed, where the death rate was away above the normal average rate, say, three or four miles from other areas outside the contaminated air shed? Is your ministry aware of that study?

Hon. Mr. Kerr: I don't know. Are you aware of that, Colin?

Mr. Macfarlane: Yes, we are.

Mr. Haggerty: What studies have you made in Hamilton and other steel cities? Are conditions the same and can they be related to the number of cancer-causing agents that are within the contaminated air shed?

Mr. Macfarlane: This study, at least in part, is going on continuously in Hamilton. The authors of part of the study are with us from the Ministry of Health.

Hon. Mr. Kerr: Is there anything else you wanted, Ray?

Mr. Haggerty: I was hoping I might have some information here. I was just wondering if the Workmen's Compensation Board was aware of these studies and any information that you come up with now that would relate to the genesis of certain forms of cancer?

Hon. Mr. Kerr: I don't know how to answer this question. Are you saying certain emissions from coke ovens are causing cancer? That is a medical fact, is it?

Mr. Haggerty: It is noted. There have been studies in the United States; the Health, Education and Welfare Department there has proven it. I was just wondering why we are so far behind.

Hon. Mr. Kerr: These are Labour matters you are discussing now. Do you understand that?

Mr. Haggerty: But you are doing the research or getting the information that you are going to supply to somebody.

Hon. Mr. Kerr: No. All we are doing is measuring certain levels of the environment outside a plant. Inside the plant, as I mentioned, it was Health and is now Labour. It is not our concern. We are outside.

Mr. Haggerty: This pollution report indicates that you are doing the studies inside the plant too.

Hon. Mr. Kerr: What pollution report? Is that that Ottawa report you have?

Mr. Haggerty: I don't know what it is.

Hon. Mr. Kerr: What is the cover on there?

Mr. Haggerty: It's the Pollution Reporter, August 1975.

Hon. Mr. Kerr: Is that ours?

Mr. Haggerty: All I am trying to do is get the information—

Mr. Cunningham: It doesn't seem to have your picture on it.

Hon. Mr. Kerr: Are we doing any of the studies inside, Mr. Macfarlane?

Mr. Macfarlane: We are working in conjunction with the Ministry of Health to ensure the abatement measures that we take for the outside air, the public air, are not achieved at the expense of the health of workers inside the plant. This is the essence of the joint study being conducted by the Ministry of Health and our ministry.

Hon. Mr. Kerr: It is going on now?

Mr. Macfarlane: It is.

Hon. Mr. Kerr: I see.

Mr. Haggerty: When will that information be available?

Mr. Biggs: Are you asking Dr. Fitch?

Mr. Macfarlane: I am looking at Dr. Fitch for some information.

Dr. Fitch: Early in this year we did a preliminary study on the coke oven emissions in three steel plants to get a ball-park idea of how the emissions of these plants compared with other steel plants in other parts of the world. We found they were essentially the same and that the emissions tend to be rather higher than the standards that have been set recently.

The business of setting standards for coal tar, volatiles and such chemicals coming from the coke ovens is relatively new and, although standards have been set, we don't know of any place in the world where these standards are actually met. But new technology is being introduced in the steel industry here and in other places and we are keeping abreast of it. We are hoping to see some reductions.

The figures we obtained from our early survey were based on a rather small number of samples. In order to validate them, we are now involved in a much more extensive study of the coke oven emissions in the three major steel plants. This has been going on now for about a month and will continue for about two more months. I think we will finish the sampling work some time in January. I would think it would be a couple of months after that before we have a report.

Mr. Cunningham: Supplementary to that, are you involved strictly in a study of the steel companies or are you involved in studying other companies that relate to steel companies? For instance, I am thinking in Hamilton of some people who I am sure would be very well known to the minister and other people involved in the ministry and who are involved in the coal tar distillate business, specifically roofing tars.

[8:45]

Dr. Fitch: This particular study is related only to the steel plants.

Hon. Mr. Kerr: Would they have coke ovens in plants like that?

Mr. Cunningham: There is a number of industries—secondary industries—especially in the city of Hamilton very heavily involved in coal tar distillation, processed either for roofing or for other ancillary, secondary products. In my view, as a layman, I would think the incidence of danger to an individual's health, either one who works directly in the process or who lives in the area where the plants are located, would be much greater even than to people involved in the emissions which surround a coke oven. You're

getting a much more volatile coal tar pitch emission in the air.

I don't want to mention specifically any company; the minister knows the company I'm speaking of because of my personal involvement in it as a summer student. I can assure you that in the city of Hamilton there are four or five companies involved in this kind of business which cause some very significant danger to people around it; it is much more profound than that of the Steel Company of Canada, Dofasco or any other steel company.

Dr. Fitch: I am not quite sure what you are asking me. Are you asking me whether we're interested in the workers in those plants? We do screen them.

Mr. Cunningham: There's a danger certainly to the workers. I'm thinking specifically of—the minister's aware of the company. It is Currie Products Ltd., 87 Sheaffe Street, Hamilton, which we've had problems with for years and years. Whether we're talking about distillation of coal tar pitch or roofing asphalt or whatever, there is a myriad of products all directly relevant to the Steel Company of Canada, their primary source of coal tar emulsion.

At that point I think you find the most dangerous level of emissions because it is more highly refined and will get further distilled through yet another process. There are several distilleries there and the emissions which occur at that point in time are much more dangerous, in my view, than anything which would surround the Steel Company or Dofasco or any other steel company.

Dr. Fitch: We have tried to do some studies on the health of people in Hamilton, trying to relate them to air pollution levels because now we're talking about the quality of the air in the general community and we really haven't come up with very much. We haven't had any very good luck in being able to relate the information available to us to the quality of the air.

There is a number of other studies being carried out by people at McMaster University who are trying to do this in more precise details. They are making use of the air quality data they get from the Ministry of the Environment and are trying to relate that to places where people live and the incidence of disease. Actually, any studies which depend on the incidence of disease are extremely difficult.

The only good information we have is deaths and, using mortality statistics, we

haven't really been able to pinpoint increased causes of death—at least, not to relate them to any particular spot in the city. It is well known that Hamilton, like other industrial cities, has higher levels of lung cancer particularly.

Mr. Cunningham: I have just referred to one company here. I'm wondering whether anybody here in the room who is involved in the enforcement procedure would be familiar with this company I've just referred to. Have there been any warnings either for emissions of coal tar or liquid emissions that relate to that particular—

Hon. Mr. Kerr: Colin, do you want to comment on Currie Products? I see you have a report that the main problem has been air pollution from hydrocarbon odours in particular, caused by condensed naphthalene in the roofing material. We have laid charges against this company on two occasions and we've had convictions on two occasions. The fines are a little pathetic as usual.

Mr. Cunningham: How much?

Hon. Mr. Kerr: Five hundred dollars each.

Mr. Godfrey: That's a licence.

Hon. Mr. Kerr: Yes.

Mr. Cunningham: You told us in the House—I don't know whether it was early fall or last summer—that, to your knowledge, some filtration material was available. Some fans and some technological improvements were going to be included and the delays pursuant to your—

Mr. Chairman: Mr. Cunningham, would you just wait for another couple of speakers and then you can pursue this line. Mr. Haggerty, have you any more questions?

Mr. Haggerty: I have some other questions. I'd like to pursue this further but time won't permit it. Can we deal with municipal sewage treatment?

Mr. Gaunt: That's in the next vote.

Mr. Haggerty: Then I'm not going to get a chance now. I thought we were talking about municipal sewage treatment here.

Hon. Mr. Kerr: No.

Mr. Haggerty: I have one more point or matter I would like to bring to the attention of the minister. In a number of industries in Ontario, do they catalogue all potential hazard conditions, such as the use of certain chemicals in the plants? For example,

International Nickel Company in Port Colborne has reagents in chemical hazards. They have it outlined all in code and it tells the employees the potential hazards of handling certain toxic agents. I suggest it's a good idea that all industries, even the steel industries, should have a book—maybe they do; I don't know—to warn the persons employed in a particular industry that there is a potential hazard here. It tells them how to handle the different chemicals. In the case of a spill or an accident, it tells what precautions to take. I think it's a good idea. Maybe there should be cataloguing of all chemicals in Ontario to be sent out to industry.

Hon. Mr. Kerr: It's my understanding that industries do keep records of certain chemicals and toxic substances that they may use in their manufacturing process and that that is a requirement. For example, that's how we found out what companies were using dechlorane in Ontario. This is the case, particularly where it's imported. Whether or not that is made known to the workers in the plant is something again that would be under the Minister of Labour now. Certainly I would think they are known to our ministry. If they are a possible contaminant from the point of view of air or water, we would know about them.

The Environmental Contaminants Act, that I mentioned before, has been passed by the federal government, will control the importation of any chemicals of this kind, any materials that could prove hazardous in any way. That is a sort of more or less before the fact situation, which we haven't had up until now.

Mr. Haggerty: I'll pass this on to the ministry. I think it's a good safety factor that the International Nickel Company has and I suggest that it should be used in other industries. The ministry can take a look at it.

Mr. Chairman: Is that all, Mr. Haggerty?

Mr. Haggerty: I'd like to get into municipal sewage but apparently I can't.

Mr. Mancini: I have two or three things I'd like to bring to the attention of the minister. He's probably aware of the items that I'm going to speak upon, but I'd just like to refresh his memory and possibly get more up-to-date information on some of these plans and projects that he has for my riding in particular and also for the county of Essex. I have been talking with the ministry officials and also I've written the minister a letter concerning the Windsor and Essex county septic tank people. Those are the truck

drivers and owners of vehicles who clean septic tanks for a living. When we realize the county of Essex has more septic tanks than any other county in the province of Ontario, we come to realize just how big a problem of disposal this septic sewage is.

Now that the ministry has been kind enough to supply a report for the county council to discuss, and also has made some recommendations in the report, I'd like to ask the minister what is the next step in this plan and if he has any plans to make sure that the county of Essex is assisted in any way possible to implement some of the programmes that he suggests.

We've had a lot of problems in the county, in the Tilbury area and also in the area of Anderdon township with the operators of these vehicles who've rented property and dug holes which are really not adequate for the disposal of this sewage. The first thing you know, we have this sewage going over any berms or banks that these people have piled up around the lagoon-type holes they've dug. The sewage is ending up in the drains and on occasion we've found our children have been playing in the area where the sewage lagoons have been dug. We're very concerned about the immediate action that is necessary to resolve this problem.

The local health unit in the area is really not too willing to respond because it says it is tied up with regulations. In the Colchester South area of my riding they dug this type of lagoon and put it behind a man's home. Granted it's not very close to his home, but he surely didn't expect a sewage lagoon, especially one that is not approved by either the county or the municipality or the province to be at the rear of his home. I've talked to the local officials in the Windsor area and they tell me that it's safe, that there are no problems and we're just going to have to wait until something better comes along.

So, for the reasons that I've stated and probably for many more that I haven't we're very concerned that this ministry and this provincial government are going to take steps to help the county council and this organization to try to alleviate these problems.

I was wondering what update on that there would be.

Hon. Mr. Kerr: Talking about truckers that are—

Mr. Mancini: No, the Windsor and Essex County Sanitation Association.

Hon. Mr. Kerr: Their job is to clean out septic systems?

Mr. Mancini: That's correct, sir.

Hon. Mr. Kerr: And you're concerned about the disposal of the waste from these septic systems?

Mr. Mancini: That's correct.

Hon. Mr. Kerr: It is my understanding that this is a process that has to be approved by us. If a site, a form of landfill site, is to be created as a disposal area for the waste or sludge or what have you from private septic systems that that site has to be approved. In some cases, I think, there may be a hearing under The Environmental Protection Act.

Mr. Mancini: I see.

Hon. Mr. Kerr: If it's a sludge lagoon, for example, or an ordinary disposable site, we usually work with the municipality, get the approval of the municipality, or at least notify the municipality that we've approved a site. This is, as I say, a result of testing. I would assume the zoning is not residential—that it is proper zoning—and I would assume in that case it would be either commercial or industrial. If there are complaints about odours from that site or leaching of any kind, then the permit should not have been issued in the first place.

Are you saying there are complaints from your constituents and also from this association you're talking about because of the location of some of these disposal sites and lagoons?

[9:00]

Mr. Mancini: The association is a pretty responsible group of people. I've met with them on several occasions. They realize the system they've been using in the past of just having one of their members or someone they know dig a hole on some farm where they'll dump all the sewage is just not the right thing to do any more. They'd like to clean up the area as much as the residents. Your ministry was good enough to make a report called The Report on Septic Disposal for Essex County, 1976. It was prepared by the private sewage unit and the pollution control branch.

This report has already been issued to the county council. Because of the things I've stated before, because of the problems we were having, you make some recommendations for the county council to enact upon. I've read the report and I'm not so sure how far we're going to get without assistance

from your ministry, without some guidance, maybe some financial assistance, maybe technical assistance, and maybe some kind of experimental scheme. We're going to need some assistance, I'm sure.

Mr. McTavish: I can speak to that. The report has fairly recently been issued to the municipalities involved and it is stage one of reaching a solution. If we haven't already, we will be arranging a meeting with the municipalities to discuss the recommendations in that report. The recommendations in the report are basically technical, practical solutions to the problem. In working and dealing with the municipality, the question of financing and then what problems we are going to run into in actually establishing these will be reviewed with the municipality. It may be that the municipalities may require or request assistance, technical or financial, but we don't know yet. The report has been prepared and does document volumes and does provide a technical solution to the problem of handling a septic-tank pump system.

Mr. Mancini: It's a very good report.

Hon. Mr. Kerr: The point is that at the present time we have some control.

Mr. Mancini: No, you don't.

Hon. Mr. Kerr: In other words, you're saying that people who may own a few acres of land are taking a part of that land and disposing of sludge waste?

Mr. Mancini: That's right.

Hon. Mr. Kerr: Would that be acceptable to us if we knew about that?

Mr. MacTavish: This has been a long-standing problem in Essex county. There are many septic tank systems in Essex county. The pump-outs are taken by tank truck and stored in lagoons on their own and private property. Some of these have given rise to complaints of odours and some have given rise to complaints of water pollution. I think the report does summarize it quite well and does give a solution for the community. We've worked with the association that you've mentioned, the truckers' association, and they've been very co-operative in this as well.

Mr. Mancini: Yes, they are really looking for a solution the same as the people in the area.

Hon. Mr. Kerr: I suppose we are getting into another area.

Mr. Mancini: I don't want the thing to die now because it's got off to a good start after a very long delay. We had a very rough year and a half there, when this thing came to a head and we couldn't get the local health unit to do a darn thing about it. They'd pass the buck off to the Ministry of the Environment. The local people there would say they can't do anything because it's a health unit problem. For a year and a half we were stuck with the problem that we just couldn't resolve or stop. Now that it's off the ground I'd like to see it go all the way.

Hon. Mr. Kerr: I can see where we are going to get into the same type of control and involvement as we do with sanitary landfill sites, I would think, at some stage. One of the problems was dumping this waste and creating lagoons on abandoned sites over which we had no control and there was no licensing procedure.

Mr. Mancini: I wonder if you can keep me informed when the county council will get in touch with you?

Hon. Mr. Kerr: Do you have another question?

Mr. Mancini: Yes, I do. This question is concerning Allied Chemical Company in the Amherstburg area. I'm very concerned about the hydrogen fluoride dropouts, if that's the proper word, that we've been having in that area. For the past two years for sure and probably in times before we've had a similar situation, but I just wasn't aware of it.

Every year, every fall, we seem to be having the same problem. The hydrogen fluoride will apparently leak from the Allied Chemical plant and it will go over to an area about 500 or 1,000 feet away, where it's fairly built up, and it falls on different pieces of shrubbery in gardens, grapes and all types of things like that, and it will pretty well kill all the vegetation.

We've been successful, working through your ministry, in getting settlements and claims for different people, but the people in the area brought their concerns to me. They're very concerned about just how great this dropout is. We hear all kinds of stories and we're just wondering if your ministry had any facts and figures about how large these fall-outs are and what is going to be done to stop them.

Hon. Mr. Kerr: I see in a 1976 control order at Allied Chemical: "Requirements for fluoride in forage were exceeded at one sampling location in eight of locations"—picked out, I guess.

Mr. Mancini: Where were these locations?

Hon. Mr. Kerr: These were within 3,000 metres of the plant.

Mr. Mancini: And the fall-out only exceeded the limit in one sampling?

Hon. Mr. Kerr: Yes, there was just one. There were eight sampling locations, and only one indicated an excess over our requirements for fluoride.

Mr. Mancini: I'm not sure where you got those figures, Mr. Minister, but approximately two years ago I helped some people on the first street adjacent to this plant, called Texas Road, and it's at least a mile and a half long, and I'd say without any exaggeration almost 50 per cent of the people had some type of damage from the HF plant, from the fall-out. So I can't understand why the report would say just one of the areas.

Hon. Mr. Kerr: The report says, "Undesirable levels of fluoride and concomitant vegetation injury are still occurring close to the source." We had 14 complaints so far this year.

Mr. Mancini: Fourteen?

Hon. Mr. Kerr: Yes; it was 21 in 1975, so we're probably doing a little better this year.

Mr. Mancini: Yes, but there were complaints from them commencing—

Hon. Mr. Kerr: There is a marked improvement according to our own annual assessment.

Mr. Mancini: But there were complaints from both ends of the road.

Hon. Mr. Kerr: Yes.

Mr. Mancini: So it is a stretched out area.

Hon. Mr. Kerr: Maybe the problem is that our control order requirements aren't strict enough.

Mr. Mancini: It's got some of the rest of us worried, because if it can do that to the vegetation and they don't know when the fall-outs are occurring and no public notices are being given out after they do occur—Residents just happen to go out and notice their vegetation is dead and then they file their complaints with your ministry, and you acted pretty well—

Hon. Mr. Kerr: Dr. Linzon, do you want to comment on that?

Dr. Linzon: Yes, Mr. Chairman. Linzon, air resources branch.

Mr. Kerr has stated the case essentially as it is, in that in the last two years there has been a marked improvement in the area as far as fluoride levels in vegetation and fluoride damage. Prior to 1975 there were severe effects in the area. Each year, apparently around the end of May or early June, there has been some accidental release of what we call an acute fumigation.

Mr. Mancini: This HF is pretty dangerous, isn't it? If a person were to get enough into his lungs, I would think he'd be damaged very severely, wouldn't you?

Dr. Linzon: Actually, vegetation is much more sensitive to fluorides than is human health.

Mr. Mancini: Yes, but they have all kinds of precautions at the plant for the men who work in this area. I was just wondering what kind of protection we're offering to people who are only 500 or 1,000 feet away, because this stuff moves in a cloud.

Dr. Linzon: Actually, the levels we do find out in Texas Road, which is about half a mile to the north of the plant—

Mr. Mancini: It's not half a mile, it's 1,000 feet at the very most.

Dr. Linzon: It is.

Mr. Mancini: I live right around there, it's not half a mile.

Dr. Linzon: The damage does occur along Texas Road but the levels there, as far as I am aware, are not high enough to have—of course, I can't talk from a medical point of view; I am not a medical doctor. We find that one part per billion of hydrogen fluoride can damage vegetation whereas the TLV for hydrogen is about 2,000 times that which shows the difference in sensitivity between vegetation and human health. There is a control order on the company requiring that forage in the area not exceed a certain level and tree foliage not exceed a certain level and it is—

Mr. Mancini: Is this hydrogen fluoride a regular thing which leaks out all the time or is it just in the spring or in the fall? Why are we getting these complaints every year?

Dr. Linzon: In their process there's a small emission going on but there are releases about which Mr. McTavish might be able to reply as far as abatement procedures are

concerned. The abatement people are working very closely with the company to bring these emissions—

Mr. Mancini: Do you foresee a day in the very near future when we won't have this problem any more in that particular area or are people going to have to live with it?

Dr. Linzon: No, I foresee that this will be taken care of in the near future.

Mr. Mancini: I am sorry. Will you say that again?

Dr. Linzon: I believe that in the near future this problem should be taken care of.

Mr. Mancini: There won't be any more fall-outs?

Dr. Linzon: It's not a matter of no more fall-outs. It's a matter of emissions not exceeding standards so they will not cause any adverse effects on the environment.

Mr. Mancini: Okay. Thank you.

There is one more thing I would like to bring out. I know I am running short of time and many other people want to speak but I have to bring this particular problem to your attention. It has to do with Anderdon township and the Colchester North trunk water line. The people in the area of Paquette are using wells which sometimes are dry because of the quarry which is nearby. The sulphur water is ruining many of the appliances and silver in the homes of these people. It is causing them a great expense and quite a bit of anguish.

They have questioned me a great deal about the time frame for this project and I have repeated to them what you have told me—that it would be ready for tender in the spring of 1977. I was wondering if we were holding true to our time frame, if we were going to tender this water line this coming spring and if you could tell me approximately what month so I could relay this to my constituents.

Hon. Mr. Kerr: I saw you winking there. You may have to wait a few more weeks. I will tell you that we realize you have a problem. We realize that the existing wells are not adequate. You have a low pressure problem from that existing pipe. We can't have any more people hooking on. Therefore an existing subdivision, I understand, and some streets off the main line are pretty well frozen. Do you remember the rough cost? We are talking about \$200,000 or \$300,000, aren't we?

Mr. Mancini: It was over a million.

Hon. Mr. Kerr: Was it?

Mr. Sharpe: That's the one for looping. The six-inch goes out and you want to loop it around the next concession? The cost is very high for the number of service connections which would be on the line.

Mr. Mancini: There are a lot of people who will connect as soon as we have this water because people in the whole township—I believe the township of Anderdon has nearly 6,000 residents. I dare say that less than half of them have water and I would say a majority do want water. What they have done in some areas is tap the water line which runs through the middle of the township to bring water down the township roads. It is not as if the people don't want water. They have been promised this line now for some time so I don't want to hear any excuses that the people don't want water. We just want to know when it is going to be initiated.

[9:15]

Hon. Mr. Kerr: As I indicated—

Mr. Mancini: Quite a few times now we have had to go back and tell these residents it has been put back a year, and I am just not ready to do that any longer.

Hon. Mr. Kerr: I remember the MBR rating on that somewhere between 400 and 600, it wasn't all that high. It's a question of pressure and it's a question of some growth, so that using our formula it wasn't at the emergency level. I think the last time I had—

Mr. Mancini: It's an emergency for the people of Paquette Corners.

Hon. Mr. Kerr: I realize that. The problem is they can't drill wells; apparently they can't find a source of domestic water. Is that right?

Mr. Mancini: That's correct. They have sulphur water. It's ruining all their taps and their plumbing, and the silver they have in the homes and all their appliances. The effect is just terrible on that type of stuff.

Hon. Mr. Kerr: I am just wondering if it's possible to extend that particular project over two years. In other words, if we could tender half of it in 1977 and maybe the balance in 1978.

Mr. Mancini: Would it be operative? Would that half be operative?

Hon. Mr. Kerr: Oh, I would think so.

Mr. Mancini: This is something on which we are going to have to meet with the two local municipalities and speak to them about, because we need their approval also as far as I am concerned.

Hon. Mr. Kerr: During our meeting with the delegations I recall you pointed out that the priority area—one street, including I think Paquette Corners—was really urgent and the other part of the loop could wait. Assuming it's not at the end of the loop, we may be able to put it over a two-year period.

Mr. Mancini: I believe the water treatment plant is near Amherstburg, which might make that difficult.

Hon. Mr. Kerr: I see your MBR is 810 so that makes it a little more favourable.

Mr. Mancini: Thank you. Good.

Hon. Mr. Kerr: We have not had a final indication what our budget allocations will be for this year. I expect that by the end of the year, and at that time—

Mr. Mancini: I would just like to take this opportunity to remind you that we have met with you on three occasions and your answer has been the same. It has been steady all the time.

Hon. Mr. Kerr: I am still fighting with Darcy McKeough; that's basically the answer.

Mr. Mancini: I know that we are going to run out of time here—I see that we already have—but could you give us that answer in a couple of weeks?

Hon. Mr. Kerr: All I will say is I will have the answer by the end of the year. A couple of weeks doesn't make that much difference because we can't tender anyway until the next fiscal year, so that's—

Mr. Mancini: That's in March or April?

Hon. Mr. Kerr: After April 1.

Mr. Mancini: After April 1. Okay, thank you, Mr. Minister.

Mr. Lane: Mr. Gaunt and Mr. Haggerty were talking to you about the quality of the water in the Great Lakes. I was sort of dipping in and out and wasn't here all the time, so maybe this question was answered, but I wondered if the minister had talked about the US-Canada Great Lakes agreement and how it was functioning, or if it was producing results or not. I haven't really heard—

Hon. Mr. Kerr: The member for Huron-Bruce did ask me a question on that yester-

day and I indicated that Ontario has lived up to its commitment under the Canada-Ontario agreement. The main requirement has been, of course, the installation of phosphorous removal equipment at our various sewage treatment plants.

The original agreement we had with Canada was signed in 1970 and therefore expired, or matured, at the end of last year. We entered into a new agreement with Canada early this year—

Mr. Williams: Another five-year agreement?

Mr. Kerr: It's another five-year agreement, and it is sort of required to enable the two federal governments to enter into their new agreement when it is negotiated in 1977. It requires more monitoring; inspection of waste from commercial vessels; trying to establish an inspection programme—I suppose on the Seaway—requiring minimum standards for commercial vessels with respect to treatment on those steamers; and continuing our regulations regarding pleasure craft. It also requires certain agreements regarding inspection and monitoring of air pollution sources, as well as these toxic chemicals we're talking about—for instance, there's agreement on the idea that there will be a move to ban the use of PCBs, for example, within a certain period of time—and agreement regarding exchange of information and research material between Canada and Ontario, which we're doing regularly with Environment Canada.

All I can say is that the situation now is that I think about 95 per cent of the plants required on the Canadian side are in operation and about 60 per cent on the US side. We're encouraged by the fact that money has been allocated at certain major centres such as Cleveland, Detroit, Buffalo and Niagara Falls, New York, for the construction of sewage treatment plants. That programme won't be completed until about 1980, but at least the plants are under way; in some cases they are only primary treatment plants but with phosphorous removal facilities.

Basically that's what has happened. The International Joint Commission is continuously monitoring both sides of the Great Lakes basin, both sides of the boundary. You've heard that the one major source pointed out by the IJC in its report last summer was Algoma at Sault Ste. Marie. It just happened that about two weeks before that report came out we had taken action against Algoma; we have a conviction, and the verdict or sentence will be handed down early in January. The main problem there was air emissions, dust fall and pollution of the St. Marys River.

Mr. Lane: In other words, the programme is working well, you would say.

Hon. Mr. Kerr: I would say that it is. It's not completely on stream from the point of view of our neighbours, but hopefully it will be by the time it matures. As I said regarding the construction of these plants, although the plants are behind, at least the money has been allocated and construction is under way.

Mr. Lane: All those areas you mentioned in the United States are pretty troublesome spots really. Thank goodness they're catching up with it, even though they haven't quite lived up to their part of the bargain. I won't take up much time now because I was on this vote yesterday for a few minutes, regarding ministry control orders—

Mr. Williams: Before you go on to another point, I have one supplementary question about the International Joint Commission. Reference was made earlier to the Great Lakes water quality board. Is that under the auspices of the international agreement or under the Canada-Ontario agreement?

Hon. Mr. Kerr: It's a body that is part of the International Joint Commission. It is almost an ad hoc committee or board that has representatives from the Great Lake states and Ontario, but works within the terms of reference of the International Joint Commission. It reports to the commission. The water quality board really does a great deal of the monitoring and the assembling of a collection of facts and information regarding certain conditions in the Great Lakes, and that information is given to the IJC and to other member states and the provinces.

Mr. Williams: Is that funded equally by the two federal jurisdictions?

Hon. Mr. Kerr: I don't know how it's funded.

Mr. Biggs: The government of Ontario has four representatives on it—we have three from our ministry and Mr. Caplice is one—and it's a technical committee. It doesn't require funding as far as the people are concerned because they're all current employees.

Hon. Mr. Kerr: They are all overpaid now—especially Mr. Caplice.

Mr. Williams: Are they required under the terms of reference to report automatically to the bordering states and provinces on the Great Lakes system?

Mr. Biggs: They report to the IJC. It's all done through the IJC.

Mr. Williams: So any information we would want would be requested through the IJC rather than going directly to the board?

Hon. Mr. Kerr: We'd have that information from our representative on that board, or one of our representatives.

Mr. Williams: That's fed in on a continuing basis? Thank you.

Hon. Mr. Kerr: Are you through, John?

Mr. Lane: I was just wondering, under what circumstances do you decide to issue ministry control orders and how effective have they been in doing the job you wish them to do? Or should I be asking that question?

Hon. Mr. Kerr: That's all right, that's one of the main parts of our industrial pollution control programme. All the big potential sources of pollution, such as your steel companies or pulp and paper companies, chemical companies, foundries, things of that nature, are under a control order in the event that they are a source of contamination, either of air or water. Control orders are working in spite of what you've heard recently; those orders are working, the programme is working.

If a certain plant by the very nature of the plant is polluting and contaminating—and I'm thinking back five or 10 years when we really started this programme in earnest—you had a choice, you set some standards and criteria and you said to the plant, you either close down or you enter into a control order. Realizing that during the period of that control order they would be contributing a degree of contamination, whether it's emissions or effluent, we had some incentive programmes, some financial assistance for those companies. The federal government, with fast tax write-offs, assisted in that way, and most of the companies that were under, say, a five-year programme are on stream, on schedule. The pulp and paper industry is one area where there is a problem, and I suppose because we're talking anywhere from \$10 million to \$50 million in some cases, depending on the size of the plant and the age of the plant. Stelco and Dofasco, our major steel companies—and Algoma has had some problems—in those two companies figures of \$50 million or \$80 million are quite common in relation to their environmental control programmes.

We've had to take action because of violation of some of the control orders or because of missed dates, missed deadlines, or a company just refusing to enter into a control

order. If it is a problem, of course, then that's the purpose of The Environmental Protection Act.

[9:30]

Mr. Lane: I know the paper company in my area is spending a vast amount of money and is having a fair amount of success in cleaning up that area of the Spanish River at Espanola. I know the fish are coming back into the river at that stage and things are improving there; and I know it's costing a pile of money.

Hon. Mr. Kerr: Espanola is all right, isn't it?

Mr. Lane: Espanola is moving towards being all right anyway. It's improving, I know that. I was curious about the stage at which you put the order on and what kind of reception you are getting from the company.

Hon. Mr. Kerr: If there is not a voluntary commitment which can be put into the form of a control order, then we impose a control order of our own. That means there could be more likelihood of failure on that order.

Mr. Lane: I suppose as long as they are trying to do the job, we would maybe extend it or co-operate with them, but leastwise the order is still there.

Hon. Mr. Kerr: Totally, yes. They've spent about \$25 million under their programme since about 1971. You're talking about Eddy Forest Products.

Mr. Lane: Eddy Forest, yes.

Hon. Mr. Kerr: That's a famous company, isn't it?

Mr. Lane: They're doing some new things there with some new pollution abatement controls. I think it's a very long-range programme they're into. I understand it's a very new phase in that type of an operation.

Hon. Mr. Kerr: We had to take action against them one time.

Mr. Lane: Yes, I remember that. I think that was in the very early stages of the Eddy operation there. That's after they bought out from the former owner who didn't do anything really. I don't want to linger on that one. I was just curious about how they worked and you have assured me they are working.

Hon. Mr. Kerr: They are under an order now to spend \$21 million between 1977 and 1981. That should improve any problems they have there.

Mr. Lane: For a long time there wasn't a living fish within quite a long distance of that mill, and now there are fish right close to the mill. It's obvious the river is getting to be in a lot better condition than it was at one time.

Yesterday we were talking about the quality of the water at Elliot Lake and the Serpent River, the cost of improving the quality. You mentioned that you hope to have access to some of the funds from the Provincial lottery. I know this is an unknown quantity because the lottery is new. I'm just wondering how many ministries will you have to share with and when can you expect some funds from that source? I suppose there are three ministries in all. Would the others be Health and Labour?

Hon. Mr. Kerr: Labour would be involved. It's for environment-related and health-related research and projects. Those will be the basic criteria for this fund, assuming it's set up and approved.

Mr. Lane: So three ministries will be sharing.

Hon. Mr. Kerr: I will be sharing with Health and Labour.

Mr. Lane: That's what I thought. Again, we hope it's a successful lottery so we'll have some money to put into health-related problems.

Hon. Mr. Kerr: There are an awful lot of Tories in here at once.

Mr. Kennedy: I wanted to talk of an issue in my riding dealing with the Tricill industrial sewage disposal plant. As you know, some three or four or five years ago when it was arranged that this plant would be established on Avonhead Road, we held a meeting which you attended as minister. There has been an interlude in your career as Minister of the Environment, then you returned to that post. At the time of that meeting, we both were there and recall the assurances we received that this installation would in its operation not be any detriment or cause any offensiveness to the community, to the residential area through obnoxious emissions of odour or pollutants.

To our disappointment, this hasn't happened. I'm not sure what the material was that was consumed after it was first put in place. If there were any offensive odours they might have been blended in with those of the Gulf refinery, where we had problems as well. However, the confirming evidence, if we ever needed any, occurred when they processed some waste material they had

picked up called mercaptan, and the resultant obnoxious, offensive odour spread all the way across Metro as far as Scarborough.

The source, as I understand it from news reports, was traced back to Tricil and I believe there was an admission that in fact this firm was the offender. Would you confirm that this is so? Is this known to your ministry?

Hon. Mr. Kerr: I think that's right. That's right, yes. The answer is yes.

Mr. Kennedy: Is that correct, that was traced to them?

Mr. Cockburn: That is correct, Mr. Kennedy.

Mr. Kennedy: I see. Following that the control order was placed on Tricil and to our surprise there occurred what you might deem to be defiance of it, because subsequent to it were further offences, or certainly additional offensive odours that the community—the people in the Meadow Wood area—traced back to Tricil. This didn't happen once, but has been a continual operation, almost daily.

You placed a control order and just prior to us adjourning this afternoon I received a copy of the appeal. Tricil appealed your control order. The appeal is dated September 2 but this appeal, according to the notice I've just received—and I guess it will be coming to your ministry if it hasn't arrived already—is to be heard on December 21. So there is all September, October, November, and most of December.

The question here is, under the legislation, does the ministry have any power to speed up hearings? As I understand it from some of the employees of your department, the legislation provides that there must be at least two weeks' notice—I presume to the firm on whom the control order is placed—and also for the ministry to get evidence ready and then another week is needed from a practical point of view to get the administrative processes made.

So I would be correct that the minimum is three weeks to bring forward a hearing, both through the legislation and being practical about making administrative arrangements?

Hon. Mr. Kerr: Yes, that's pretty well correct, Mr. Kennedy. We served the control order at the end of August, and they have a certain period of time to appeal that control order. I think it's about 15 days, so they could do it on the 14th day. So you've lost two weeks there. Then we set a date for the appeal hearing and you're talking about the

Environmental Appeal Board which is pretty busy and usually has a backlog at any given time.

It was as a result of your request that it be held as soon as possible that we were able to work it in in December.

Mr. Kennedy: Normally there's quite a length of time, is there?

Hon. Mr. Kerr: How do you mean—after the appeal is heard?

Mr. Kennedy: Sure. After the control order is served, how long do they have to make an appeal?

Hon. Mr. Kerr: Fifteen days.

Mr. Kennedy: Fifteen days. But the appeal board has such a backlog and it is an independent body separate from your ministry. Am I correct?

Hon. Mr. Kerr: No. It is an independent body but it's attached to my ministry. I hire and fire the people who are on the board.

Mr. Kennedy: So they are not totally autonomous?

Hon. Mr. Kerr: Sure they are.

Mr. Kennedy: They are?

Hon. Mr. Kerr: Yes.

Mr. Kennedy: I see. In any event, this hearing is set for December 21. While this has been going on, to our disappointment and dismay the offences or at least the offensive odours traced by residents to Tricil are continuing to take place.

Hon. Mr. Kerr: About that plant I want to say this is a situation whereby a plant was built to handle pollutants and itself has become a source of pollution. This is the problem here.

Here we have a plant built, as you say, in 1971-72 at the urging of our ministry to treat industrial liquid waste so that this stuff wouldn't be dumped on sanitary landfill sites or down manholes or in some river or creek. Industrial liquid waste, the trucking and disposal of that, has become a problem.

It became a problem early in this decade and continues to increase. The plant was built under our supervision. The plant is on our property. It is in an industrial zone and my recollection is that it is at least a mile from the nearest residence. It's next to St. Lawrence Cement—is that the name of the company?

Mr. Kennedy: One of them.

Hon. Mr. Kerr: It is in one of the heaviest industrial areas in the province. It's sort of like "chemical valley" in Sarnia. Yet this little plant is a great source of complaint by some residents around there. I know from personal observation and attendance at the site that there are some strong odours, particularly if you are down-wind.

The problem apparently is that because of an increase in the generation of industrial liquid waste the plant is taking material which its incineration process can't handle. In other words, the incineration level is not high enough to cause complete combustion and because of that we are getting odours.

Our control order really required the company to do certain things which would cost a substantial amount of money. Since it opened in 1973 or late 1972 the plant has lost money annually. Although it is a big company, a subsidiary of a large company, the plant has been losing money.

This, of course, is because there are other disposal sites which are cheaper, such as landfill, and I suppose the company really didn't have enough business, didn't have enough customers in the early years. Now it finds that with more customers it can't handle all the wastes it is attempting to treat and destruct and dispose of.

[9:45]

I am hoping that once the control order appeal is dealt with, assuming our order is upheld by the appeal board, only one of two things can happen—either the plant closes or it complies with the order and spends the money. In that way they will be able to handle the wastes they are handling now and eliminate the odour problem. I am just hoping that your constituents are being reasonable. If this is a continuous thing, fine. There is some problem as to identification of some of this odour because of the neighbouring industries in the area. Tricil is arguing that they are being blamed for everything and they are only responsible for a part of it. It's not as if it is a private industry handling a clean product, where there is just no excuse. It's an industry that is trying to solve a problem that is really the responsibility of government right now, and maybe we'll have to get into some sort of financial assistance programme to assist industries of this kind to enlarge the plant and install the equipment that will enable them to handle all types of waste.

Interjection.

Hon. Mr. Kerr: Incentives haven't brought the results we had hoped for.

Mr. Kennedy: Incentives aren't quite applicable in this situation.

Hon. Mr. Kerr: There is a bill on the order paper, I think by Mr. B. Newman, that says we should get into this whole thing, as we have with water and sewage plants. That, of course, involves a substantial amount of money, increased staff, a whole new programme. If we are satisfied that Tricil is sincere, that it is not attempting through this method to earn a substantial or unreasonable profit at the expense of the environment around the plant, and if it is, in fact, suffering losses year after year, the company just won't keep the plant open.

Mr. Kennedy: That would be fine by the community.

Hon. Mr. Kerr: Yes.

Mr. Kennedy: You mentioned the reasonableness of the constituents. I want to assure you they have been most patient, above and beyond what might be reasonably expected.

Hon. Mr. Kerr: You mean the call of duty.

Mr. Kennedy: You might say that, I guess, but they have been. I appreciated you coming out this morning to see it and subsequent to your dropping in and getting a whiff of what is going on, I did meet with the manager there who told me of some of the problems. It's as you say, as I understand from him, a matter of combustion which they think they could achieve with certain modifications. It could cost up to perhaps a third of a million dollars—I don't want to embarrass him because I'm not sure under what authority he was speaking—but up to a third of a million dollars; and he tells me CIL are dealing with this and going to make a judgement as to whether they proceed. If it isn't economic then you touched on a point that I think must be examined, that possibly the government might get in with some assistance to ensure there is satisfactory combustion and the nuisance to the neighbourhood is ended.

Hon. Mr. Kerr: The only problem with that, Doug, you reminded me when you mentioned CIL—I don't think money is a problem.

Mr. Kennedy: I wouldn't know. I don't have any shares in CIL.

Hon. Mr. Kerr: We can talk about a loan of a couple of hundred thousand dollars under our programme; under ODC possibly, but obviously with that company it wouldn't be necessary.

Mr. Kennedy: The fact is, whether it's CIL or anybody else, it should either be economic or it's a subsidized public venture.

Hon. Mr. Kerr: Right.

Mr. Kennedy: I don't expect private enterprise to—you know, their benevolence is in other directions possibly.

Hon. Mr. Kerr: It'll fail.

Mr. Kennedy: There are a couple of suggestions or points I would like some discussion on. We have this offensive situation going on; and they tell me if there is an approval for the modifications, such results couldn't be seen or the work wouldn't be completed until next spring some time, by the time they process it. I guess it is as bad as government getting something tendered, and the working plans and all this sort of thing arranged, and the work completed.

In the meantime we have this control order which can only mean really carrying out, I presume, what must be done, which is the modification. In the interim there are two or three questions: Is there a possibility that through working with them, knowing that they process this as a commercial venture, the ministry could direct some or all of the material gathered to the Hamilton plant or Sarnia plant, or separate it in some fashion, so that the situation would be alleviated until these modifications are made? Is there any possibility you will look into that? This just isn't acceptable.

Hon. Mr. Kerr: I know but I don't know how we can get into the business of tendering—

Mr. Kennedy: This is what I am asking.

Hon. Mr. Kerr: I don't know what your conversation was with the plant manager today but he knows that the problem is they are handling material they shouldn't be handling.

We now have a system of regulations and way-bills and we are able to tell by these way-bills exactly what material they are treating at that plant. We know that certain materials they are taking just won't break down and be properly treated with the combustion or incineration levels they have now. I have said that.

If they refuse these materials, those trucks will go to another plant. The trucks will go to Hamilton or possibly St. Catharines, or even the Beare Road site as long as it stays open. That option is still open for the trucks and we have control over that.

Mr. Kennedy: Yes, but is it open if they are there to process material and presumably, if not to return a profit to minimize the loss? The plant is caught between doing some work and not doing it; I suppose they would be under fire if they kept turning away what they are supposed to be doing.

Hon. Mr. Kerr: All I am saying is that as a result of negotiations between my ministry and the plant, and the imposition of the control order, the company knows what it has to do to treat the type of waste it is treating now, which is causing the problems. They know what they have to do.

Unfortunately, they are appealing that control order. Whether they are not going to go ahead with it and we are going to end up prosecuting them; or whether they feel the control order is unnecessarily strict, I am not sure. We will find that out at the appeal. If the appeal board upholds our control order and the company continues, at that stage we can prosecute.

If it is a matter of the company being able to do something now which will be ready in the spring, I am sure my ministry is agreeable to that type of arrangement. I don't know the details of that control order but I am sure we don't expect the plant to solve the problem overnight.

If it is prepared to do something within a reasonable time to enable the plant to handle all these wastes we are all in favour because the more of these plants we have the better. I am sure we are being as reasonable as possible to co-operate with the company to enable them to handle everything. If this is the company which is going to handle the waste, it may eventually end up in deep well disposal in Canboro.

Mr. Kennedy: I presume they would be under the same rules of emission as any other industrial plant. Presumably there have been violations. I think your ministry and officials agree there are violations. Can you go ahead with a prosecution while an appeal is pending?

Mr. Biggs: Yes, we are.

Hon. Mr. Kerr: Are we?

Mr. Biggs: Yes. Charges haven't been laid but we are proceeding.

Mr. Kennedy: There is no prohibition against—

Mr. Biggs: The control order is not in effect while it is under appeal. It only be-

comes effective after the appeal has been heard and the recommendation has been made by the appeal board.

Mr. Kennedy: So a prosecution and the appeal could be going ahead concurrently? Could you look at that?

Hon. Mr. Kerr: I don't really think there is any magic in a prosecution.

Mr. Kennedy: I know. If you get a conviction, it doesn't stop the odour. I appreciate that.

Hon. Mr. Kerr: I would assume that would be some time after the appeal is heard.

Mr. Kennedy: Could you tell me under what conditions you can just tell them to stop operating?

Hon. Mr. Kerr: We can issue a stop order—as we did, I believe, at one of the lead plants two or three years ago—if we can prove that the continued emissions from that plant would be injurious to health. It would be a matter of extreme pollution which would be, in fact, a danger to health.

Mr. Kennedy: Do you have your own medical people to establish injury to health, or do you call on others?

Hon. Mr. Kerr: Yes, we have all the experts. They are all a little tired right now, but they are all there.

Mr. Kennedy: We have some tired constituents too; they're tired of this odour.

Hon. Mr. Kerr: Paul, do you want to comment on that?

Mr. Kennedy: What is involved in establishing this as a health hazard? Close up to the plant, I would say my health was in jeopardy. A mile away, perhaps it's not but perhaps it is. How much evidence do you need to prove a health hazard?

Mr. Cockburn: On that basis we would go to the Ministry of Health. We have advisers who are available to us all the time—for instance, Dr. Fitch, who has spoken earlier today.

As for closing down the plant, this has not been considered at all. It is a periodic thing. With the control order and the controls we have put into that order, we feel that we can meet our requirements both for emissions and odours. There is also a question of some sloppy housekeeping down there that is included in that order.

A big part of the problem so far as the company is concerned is the cost of doing

analyses to find out what exactly they are burning at that incinerator. As I understand it, this is probably going to be the basis of their appeal. It is not the additional control works that are required; it is strictly the operating cost of doing a number of analyses.

We have been through this with the company on several occasions prior to the issuing of the control order; they were aware of it, but it wasn't until after the control order was issued that they actually made a formal appeal. I don't know whether this was because of the parent company. We will find that out at the appeal.

There are a lot of analyses, both stack analyses and analyses of materials coming in there, that have to be done so that the problem of odours can be alleviated. On the question of the mercaptans, which you mentioned before, if they had known those were coming in before they incinerated them, we wouldn't have had the problem. But it was after they got burnt and they spread across the city, that they finally acknowledged they had them in the material.

Mr. Kennedy: Could I ask Dr. Fitch what is involved in establishing a health hazard?

Hon. Mr. Kerr: There are all kinds of things. Would you like to comment on that, sir? I'd think they would be choking, coughing and writhing on the ground.

Dr. Fitch: It is not a situation that occurs very often, because before one would close a plant we would want to have evidence that there was a real or even a potential hazard to the health of the people who are surrounding it. This, of course, depends on the measurement of the hazardous material in the air—not only the fact that it is there, but it must be there in sufficient concentration to present a threat to people. We haven't had very many examples of this kind of thing. I suppose one example was the famous lead situation, where the plant was closed when we appreciated the fact that lead was escaping from one particular establishment in large quantities.

[10:00]

Mr. Kennedy: Perhaps the appeal will bring out some of this testimony that might be helpful in that direction. With these appeals, are the public able to participate? Can they be called to testify and give their views? Is it a public hearing where witnesses can come in, or do they need to ask or what is the process?

Hon. Mr. Kerr: Yes. It's a public hearing, but you'd have to be a party to it, I would think. It's something like an OMB hearing.

Mr. Kennedy: I see. Those who have a legitimate interest wouldn't be denied the right to make a presentation.

Mr. Godfrey: Supplementary question, Mr. Chairman? While Dr. Fitch is still here, have you done morbidity studies in the neighbourhood of Tricil?

Dr. Fitch: No, we haven't.

Mr. Godfrey: No morbidity studies, no increased sickness incidence?

Dr. Fitch: We haven't done any such studies. In fact, we've never been able to find a way of relating morbidity. I think you probably know better than I do how difficult it is, first, to get information about morbidity and, second, to relate it to a particular source when there are so many things going on in any part of the city.

Mr. Godfrey: If I may, one moment more. Was there an increased incidence of people admitted to the hospital with acute lung inflammation the day after this noxious fume spread through the area? Have you looked at that, sir?

Hon. Mr. Kerr: Are you aware of that, Doug?

Mr. Kennedy: No, it spread all the way to Metro and—

Dr. Fitch: This is mercaptan you're speaking of and, as you know, relatively small concentrations can be very noticeable.

Mr. Godfrey: Yes. It would seem very simple to just check the hospital records for one day and see how many acute emergency admissions there were. This is not a big thing, it could be done as an ad hoc in-house study.

Mr. Kennedy: I just have a couple of other things, if I may, and I'd like to thank the minister for his interest. I know he's concerned about it and I appreciated him coming this morning to have a look. We know that it's going to involve a capital investment or else we've got to do something else about it. It's either closing it down or fixing it up, one of the two. If the investment is made toward making it efficient and, presumably and hopefully, eliminating the problem, the parent company, CIL, would be involved in the decision, because the funds, I guess, come from the parent—if, as I understand it, Tricil is a subsidiary.

Has the minister been in communication with CIL head office or wherever this decision would be made? And, if not, could you check out in this direction as to just what their intentions are?

Hon. Mr. Kerr: I've been in communication with the general manager of the plant, the man who is part of the CIL conglomerate but who is in fact running the Tricil plant in Mississauga. As I indicated, there has to be a decision by the parent company as to whether or not this plant is going to continue in operation, because in 1975 it lost over a quarter of a million dollars. It's going to be in the same loss position this year according to the latest information they have, but not quite as bad. Because of our regulations and our way-bill system they are in fact getting more customers. But, then again, the increase in custom is basically causing the problem.

It's a decision as to whether or not you continue operating a plant that is a losing proposition or expend the money to meet what we have imposed by way of a control order.

This is just by the way and apropos of nothing really. If the well goes ahead in Canboro I'm sure that the plant, because of its additional responsibility, would be prepared to spend the money; if the proposition did go ahead, I know that is one of the contentions of the company. In other words, if they're going to do business with Cambrian, they would have to be prepared to meet our control order.

Basically, it's a matter of dollars and cents. They have the money; there's no question about that. I suppose it's a matter of satisfying some shareholders.

Mr. Kennedy: I don't understand. As I understand it there are only three. There's this one and the ones at Hamilton and Sarnia. Are they all losing money?

Hon. Mr. Kerr: There are more than that.

Mr. Turner: No, there are just three incinerators in the province. There are two incinerators in Sarnia, but it's the one plant. There is one in Hamilton and the one in Mississauga.

Mr. Kennedy: Is Tricil in Sarnia as well?

Mr. Turner: Yes. Tricil operates a disposal facility in the Sarnia area, in Moore township.

Mr. Kennedy: Are they losing money too or do you know?

Hon. Mr. Kerr: It's a well.

Mr. Turner: I'm not really in a position to be able to answer that.

Mr. Kennedy: It seems to me if it isn't economic on some basis they should make it economic, and I think that's as warranted as it ever was. Presumably they went in with the idea of making it at least not a loss situation. Maybe they have to adjust their rates.

Mr. Makarchuk: They could probably use it as a write-off and apply it against something else.

Mr. Kennedy: It could be, but in any event I think they should be able to overcome the economic problem, if there is one. With this hearing coming up, I guess we will wait for this. But I would ask that they either clean up their act or we close it down and that the decision be made as quickly as possible.

Ms. Gigantes: I have just a couple of questions I'd like to ask about two sites in the riding of Carleton East which are radioactive sites. There are three, actually, in Carleton East. One of the sites is now being used as what's called a temporary dump by AECB. There are apparently 3,000 tons of radioactive slag on that site. I understand there is likely to be up to 12,000 tons of radioactive slag on that site before a permanent waste management site for radioactive materials is found in eastern Ontario.

The site which is being used for a temporary dump is very close to homes in the area of Queensdale and Albion Roads in Carleton East and it's a matter of some concern to the people in the area. I'm wondering what kind of initiative your ministry can take to make sure that site is not increased, in fact, that it's removed, and that another site, presumably in Chalk River, will be found for that waste?

Hon. Mr. Kerr: Did you say other than Chalk River?

Ms. Gigantes: Presumably it will be in Chalk River. I was told this by the AECB officials with whom I visited the site.

Hon. Mr. Kerr: The three sites, as you've said, are temporary. Is this material coming from the Port Hope area?

Ms. Gigantes: No, there are not three temporary sites, there are two radioactive sites and one is a temporary dump. There may be material moved from the other two sites to that temporary dump site, but it's the existence of a temporary dump in a

built-up neighbourhood that is of concern to the people in that area and also the possibility that the extent of the dump site will be increased.

Hon. Mr. Kerr: I understand the working group, under AECB management, which is trying to find a permanent site, which as you say could well be in Chalk River, hoped to close the sites you're talking about, particularly the one which has a level of radioactivity which is considered to be excessive.

The necessary field work has been carried out for selecting a new disposal site and that's been forwarded to AECB management.

Ms. Gigantes: Where is that site to be located? Do you know?

Hon. Mr. Kerr: No. It just says they have carried out the necessary field work and I would assume that is a question of looking at new sites.

Ms. Gigantes: No, I think not. The background to this, as I understand it, is that the amount of material which has now been moved from Port Hope is already beginning to strain the capacity of the waste site at Chalk River.

Mr. Biggs: Mr. Minister, this is not right. There is the first movement, the so-called phase 1, from Port Hope; that's the removal of 50,000 tons of the soil. It's going to Chalk River. The main concern of the AECB is the cost per ton; I think it's around \$13 a ton to move it from Port Hope to Chalk River.

There is some concern on the part of the Chalk River administrators, the Atomic Energy people there—arsenic, I believe, is one of the contaminants in this soil. We have taken a stand right from the beginning that all of the material should move to a site owned by the government of Canada, preferably a site which is already a disposal site for radioactive material. Of course, one of them is Chalk River; another one is at Spragge on the North Shore.

Our concern at present is that the Atomic Energy Control Board may attempt to expand the site at Port Granby for the material from Port Hope. We're on record not only as not favouring that but also suggesting that if it is proposed, although we don't have jurisdiction, as you know, that it be subject to an environmental public hearing.

Ms. Gigantes: I meant to present this merely as background but I was informed by the public relations spokesman for the

AECB, Mr. Jennekens, that the site which now exists at Chalk River could take about a third of the material which has to be moved from Port Hope.

I feel, considering that the cost of moving material from Ottawa, even though it's much closer, is very much in the same vicinity as moving it from Port Hope to Chalk River, the likelihood of our getting rid of a new and increasing dump in the Ottawa area—let me remind you that it's on federal government property. This is on National Research Council property at Queensdale and Albion Road. It sits there on a piece of plastic. It's not highly radioactive but it's of concern especially if two other sites in the area are going to be dumped in the same area. They have much higher radioactivity.

That material is sitting on a large piece of plastic on a hill and covered by another piece of plastic weighed down by rubber tires. It's surrounded by a large fence but I'm concerned that there's a certain amount of runoff from a plastic sheet on level ground. I would like to ask the minister and his officials this question too: Some of the material which is likely to be moved to this so-called temporary site, I understand, is now under a control order. There's going to be a hearing early in December on the material being moved from the Masterley Products site which is under a control order for arsenic.

Mr. Biggs: Mr. Minister, first of all, we don't accept the statement that there is not enough space at Chalk River. Admittedly all the area is not suitable for the storage or disposal of this material. There is a total of 1,000 acres there owned by the Atomic Energy Control—not the board; the other one.

Hon. Mr. Kerr: The commission.
[10:15]

Mr. Biggs: Yes. It's really a matter of cost. We know the board is very interested in cleaning up these Ottawa sites. It's been under discussion in the meetings we have had with them, and we can see no reason why it shouldn't move to Chalk River. As far as any hearing that is proposed, the board has followed the practice, as it did in Port Hope, of having sort of informal meetings, not really hearings as such. The one that we are proposing, or suggesting rather, because we don't really have the authority to impose it, could be a properly constituted public hearing where people could appear and it would be publicized and what have you.

Ms. Gigantes: Hearing for what?

Mr. Biggs: If there is a new disposal site considered by the board.

Ms. Gigantes: Do you have any knowledge of any site in eastern Ontario, aside from Chalk River, being suggested?

Hon. Mr. Kerr: Brad, are you on the working group?

Mr. Biggs: No, I'm not. The proposal that is being considered is the expansion of the Port Granby site and that is no secret. Other than that, there were sites looked at in the Kingston area, in several areas, but they were discarded as unsuitable.

Hon. Mr. Kerr: What Mr. Biggs is alluding to is a fact. This whole operation resulting from high radiation levels at Port Hope has been a costly experience for AECB and the Ministry of Energy, Mines and Resources. The decision to move this radioactive material to Chalk River was made earlier this year. The plan was to move all of it from Port Hope to Chalk River, but because of the fantastic cost or excessive cost in carrying out this operation, there has been rather an informal decision made within the ministry that the balance is to go to Port Granby, and the possibility of a new plant in that area may sweeten the pot as far as the citizens of that area allowing the waste to stay in Port Granby.

We are concerned about that and we think the original commitment, the original decision to take it to what is without question a safe site at Chalk River, should be carried out. Whether this is part of the politics of all this, I don't know. I don't understand, for example, why they require the sites you have referred to, that are, I understand, in use pending establishment of a permanent site—I can't understand why this material can't be taken to Chalk River.

Ms. Gigantes: Would you check and find out?

Hon. Mr. Kerr: Yes, I can find that out. We are satisfied there is sufficient space there; we are talking of 1,000 acres.

Mr. Biggs: It's only a fraction of that for this use, but it is a very large area.

Ms. Gigantes: The dump itself, the temporary dump, is close to the built-up area and if it is to be increased by the two other sites which are radioactive, which are not near built-up areas but which have higher levels of radioactivity in them, I think there is increasing cause for concern on the part

of the residents of that area. So if you can check that I would very much appreciate it.

Hon. Mr. Kerr: That move from the Holnitzer property—

Ms. Gigantes: Holnitzer—they moved it across the road to the NRC site. There are two other sites and I would like to ask you about one of them; one is on Rideau Road and it is a site where there are trucks and pipes and so on being stored and people are working around there on an infrequent basis, but they are getting fairly high readings of microrems there. The site that really concerns me most of the three that I looked at—and it concerns me that this material may end up in the residential area—is on Doncaster Road, it's the Masterloy plant and outside in the yard—

Hon. Mr. Kerr: It's private property?

Ms. Gigantes: Yes, these two sites are private property. Outside in the yard there is radioactive material stored in large metal drums.

There is also slag piled in the yard. The readings on that slag go up to 2,000 micrograms at contact, which is pretty high. The material is backed up into swamp water at the back of the lot. I'm told by the AECB technologists I was with that here is a control order against the company because of arsenic leakage into the water at the back of the plant property. If there is arsenic leakage, perhaps I should get you to comment on that first.

Hon. Mr. Kerr: The arsenic leakage?

Ms. Gigantes: Is there a control order?

Hon. Mr. Kerr: I'm not sure. Is there a control order?

Mr. Biggs: Yes.

Hon. Mr. Kerr: There is. That's on the Doncaster Road site. Do you want to give us the particulars on that?

Mr. McIntyre: I'm the director for the southeastern region. There is both an order and a control order which was served on Masterloy Products in May of this year. The order has been appealed. The appeal board has set a hearing date for December 15 in Ottawa. Part of the control order required the removal of the material on the site, that contains both arsenic and radioactive materials, to a licensed disposal site, licensed by the AECB.

Ms. Gigantes: How can they carry out that order when there's no site? Or are you proposing that they put it on the site in the residential area?

Mr. McIntyre: No, we're proposing they put it on a site that is licensed by the Atomic Energy Control Board.

Ms. Gigantes: Isn't that temporary site licensed by the Atomic Energy Control Board?

Mr. McIntyre: I have no idea.

Hon. Mr. Kerr: Do you mean the site at the National Research Council property?

Ms. Gigantes: Yes.

Hon. Mr. Kerr: I would assume it would be.

Mr. McIntyre: I couldn't answer that question. I think the Atomic Energy Control Board is the only one.

Hon. Mr. Kerr: Do you know who made the decision to transfer from one site on Albion Road to another?

Mr. McIntyre: I believe it was a temporary move because the construction company wished to commence its operation and the AECB then had it moved to the temporary site on their own property.

Hon. Mr. Kerr: I would think that because that is a temporary site the waste from Albion Road, the National Research Council site, has to be moved to a permanent site, which I understand is to be decided on any moment, according to this information, which says that a site recommendation has been made by the working group. I can't imagine any move from Doncaster Road to the National Research site, can you imagine that?

Mr. McIntyre: No, I couldn't.

Ms. Gigantes: How can you tell a company that it must get material off its property and it must go to a licensed site when there is no licensed site?

Hon. Mr. Kerr: Chalk River.

Ms. Gigantes: But it's not accepting material from Ottawa.

Hon. Mr. Kerr: We don't agree with that.

Ms. Gigantes: You don't agree with it, but how can you order a private company to remove material to a site, where the owner of the site won't let you put the material?

Mr. Godfrey: It sounds like a Catch-22 to me.

Ms. Gigantes: Can I ask what is the basis of the appeal?

Hon. Mr. Kerr: Are you aware of any sites outside of Chalk River?

Mr. McIntyre: No, I'm not.

Ms. Gigantes: There is none. Can you tell me what the basis of the appeal is?

Mr. McIntyre: I would only be speculating about the basis of their appeal. They haven't told us and I think we'll only find out when they come to the appeal.

Ms. Gigantes: Don't they have to give some basis?

Mr. McIntyre: No, they just have to advise us they are appealing our order; they just have to advise the appeal board.

Mr. Makarchuk: Even the Workmen's Compensation Board wants a reason.

Hon. Mr. Kerr: They have to make that known, but apparently not before the hearing.

Ms. Gigantes: Let me ask you, just as an individual, does it sound reasonable to you that a department of the government should require a company to move material to a licensed site when there is no licensed site available?

Hon. Mr. Kerr: It doesn't sound reasonable. Mr. McIntyre might repeat again the provisions of the control order. Is there any type of reclamation or corrective work that can be done at the Doncaster Road site? If they didn't dump any more material there, can that in any way be rehabilitated or corrected or closed in a way that would be acceptable, assuming they are not allowed to handle any more material?

Mr. McIntyre: The control order requires them to remove some soil that is contaminated with arsenic that surrounds their property and also requires them separately to remove their slag, which is the material that is contaminated with the radioactive waste. Then they would have to replace the arsenic-contaminated soil that they removed with uncontaminated soil to rehabilitate the property.

Hon. Mr. Kerr: And close the site.

Mr. McIntyre: No, they intend to continue an industrial operation there.

Hon. Mr. Kerr: I mean as far as radioactive material is concerned, that would be—

Mr. McIntyre: It has never been a licensed site, so it's just a part of their industrial operation really.

Hon. Mr. Kerr: Is a licence part of this whole process now?

Ms. Gigantes: Not for disposal.

Mr. McIntyre: No.

Hon. Mr. Kerr: Aren't you going to have to license the site?

Mr. McIntyre: No. Because we are not going to let them keep it there.

Hon. Mr. Kerr: Oh I see. All right.

Ms. Gigantes: What does that mean?

Hon. Mr. Kerr: So have you in fact, as Ms. Gigantes has said, ordered them to move the material to another site when in fact another site doesn't exist?

Mr. McIntyre: At the time the order was issued, so far as we knew the Chalk River site was licensed and was available.

Mr. Biggs: Mr. Minister, the point is that the responsibility for the disposal, taking care of radioactive wastes, under The Atomic Energy Control Act rests with the AECB. Even the hospital material that's radioactive; it's their responsibility. It's all comprehensive. Now we have co-operated with them but our attitude is the final responsibility for this disposal rests with them.

Ms. Gigantes: I can understand that the final responsibility may rest with them. They have not done a very good job of identifying those sites, because I was told by the officers with whom I visited the sites that they were discovered by accident during a geographical technical survey by air. And this was just a year ago.

Second of all, if they are not providing a site for that material and there is the possibility—we are being told by the AECB—that the material at this highly radioactive site, comparatively speaking, which also has arsenic contamination, might be moved to a residential area where residents are already alarmed by this great garbage bag of radioactive waste that sits a few feet across the road from them, then it seems to me that it's incumbent upon the ministry to make a great deal of fuss on behalf of the people who have to live in that area.

Hon. Mr. Kerr: I think it's quite similar to the situation in Port Hope—the school in Port Hope and certain residences in Port Hope—where the Ministry of Health and my ministry were involved with AECB and Energy, Mines and Resources. AECB accepted its responsibility to not only take corrective action but to move the radioactive material. Whether it's private or public property under its jurisdiction, AECB has a continuing responsibility for the safe disposal and handling of radioactive material.

Now if Chalk River is open, it's a licensed site, it is accepting radioactive material, it's under supervision, there is space—

Ms. Gigantes: Why do you think they are saying no, Mr. Minister?

Hon. Mr. Kerr: They are saying no because they don't want to haul the material from Port Hope to Chalk River. They want to leave it in Port Granby. Now they may be saying no; it's sort of a twisted play here. They may say to the people in your area and to yourself that, "We can't handle the material from Doncaster Road or Rideau Road or Albion Road because we need the space at Chalk River for Port Hope." And, of course, the cry goes up that it makes more sense to move the material from the Ottawa area to Chalk River than to move it from Port Hope to Chalk River. That will please AECB very much. They will say that's why we can't handle the material from Port Hope, we must leave it in Granby.

Ms. Gigantes: There is no comparison to the amount—

[10:30]

Mr. Vice-Chairman: It is now 10:30. Are we ready for the vote on 1902?

Some hon. members: No.

Mr. Vice-Chairman: It was my understanding that we would vote on vote 1902 tonight, vote 1903 tomorrow morning and vote 1904 tomorrow afternoon.

Mr. Williams: Was that the agreement?

Mr. Makarchuk: It was our understanding that there would be some splitting up of time allocated to each political party, which didn't work out; consequently we are—

Mr. Vice-Chairman: The time that has been used up is 187 minutes by the Liberals, 133 by the NDP and 64 by the Conservatives.

Mr. Godfrey: On this vote this evening, Mr. Chairman?

Mr. Vice-Chairman: No. That includes yesterday afternoon.

Mr. Godfrey: We were talking this evening, Mr. Chairman. We had a tentative agreement and we haven't been able to carry that out. I would be against voting on it.

Hon. Mr. Kerr: Why don't you put the motion, Mr. Chairman?

Mr. Vice-Chairman: The agreement was that we would vote on vote 1902. Does the motion carry?

Mr. Makarchuk: Wait a moment, Mr. Chairman. I am prepared to talk on vote 1902 and it being 10:30, you either consider continuing the discussion or else you adjourn.

Hon. Mr. Kerr: No, he's putting the motion.

Mr. Makarchuk: He can't put the motion—

Hon. Mr. Kerr: Oh, yes. He can do that. He can attempt to get a vote on the motion. If it is not carried, it is not carried.

Mr. Makarchuk: Just a moment, Mr. Minister. The procedure in the House is that as long as there is a member who is prepared to speak or wishes to speak on a particular vote, he is entitled to speak on that vote.

Hon. Mr. Kerr: But there was an agreement to deal with vote 1902 by 10:30 tonight and the other two votes tomorrow.

Mr. Makarchuk: That's right and the agreement was not kept.

Hon. Mr. Kerr: Why wasn't it kept?

Mr. Vice-Chairman: How come it wasn't kept?

Hon. Mr. Kerr: Why wasn't it kept? Because you didn't monopolize all the time? Is that the reason.

Mr. Makarchuk: Wait a minute.

Hon. Mr. Kerr: You used the first two days. Isn't that enough?

Mr. Gaunt: Mr. Chairman, as I understand it, we did have a tentative agreement to pass this vote tonight. That was made on the assumption we would have the time from 8 until 9:15. In fact, we ended off at 9:20; we were five minutes over. It was then our understanding that the NDP would have the balance of the evening, which would saw off about right, because up until 6 o'clock the NDP had 114 minutes and we had 111; so we were very close. As it turns out, we had

80 minutes tonight and the NDP had 20; so as far as I am concerned, I see nothing wrong with going into tomorrow and perhaps considering this vote for the first hour and then moving on.

Hon. Mr. Kerr: All right. Go ahead.

An hon. member: That's common sense.

Mr. Ruston: He is always a reasonable fellow.

Hon. Mr. Kerr: You fellows are always followers anyway.

Mr. Haggerty: Always followers?

Mr. Makarchuk: I'd hate to follow you guys.

Mr. Ruston: Middle of the road—

Hon. Mr. Kerr: Yes, right.

Mr. Gaunt: What's wrong with that?

Mr. Vice-Chairman: One problem we have, Ms. Gigantes, is that Mrs. Campbell is the first speaker and Mr. Williams is the second speaker. Do we disregard these two speakers?

Mr. Gaunt: On this vote? First of all, Mrs. Campbell won't be here tomorrow; that looks after that problem.

Ms. Gigantes: Mr. Chairman, I hadn't quite finished my questions at 10:30.

Mr. Chairman: Will you be through in an hour tomorrow?

Hon. Mr. Kerr: I want a list of those questions before 10 o'clock tomorrow morning, please.

Ms. Gigantes: I have given you the subject areas.

Hon. Mr. Kerr: We resume tomorrow at 10?

Mr. Vice-Chairman: Will we consider that we extend this vote for one hour tomorrow and that at 11 o'clock tomorrow we vote on it. Is that in agreement?

Some hon. members: No.

Hon. Mr. Kerr: I don't think it really makes that much difference. Tomorrow night at 6 o'clock, even if we haven't moved on this vote, that's the end of my estimates; so I really don't care.

Mr. Makarchuk: It's not necessarily so.

Hon. Mr. Kerr: Oh, yes, sir.

The committee adjourned at 10:35 p.m.

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- Biggs, E., Deputy Minister
- Caplice, D. P., Director, Environmental Approvals Branch
- Cockburn, P. G., Director, Central Region, Regional Operations and Laboratories Division
- Linzon, Dr. S., Supervisor, Phytotoxicology Section, Air Resources Branch
- Macfarlane, C. J., Director, West-Central Region, Regional Operations and Laboratories Division
- McIntyre, C. E., Director, Southeastern Region, Regional Operations and Laboratories Division
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- Sharpe, K. H., Assistant Deputy Minister, Environmental Assessment and Planning Division
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Ministry of Health official taking part:

- Fitch, Dr. M., Director, Occupational Health Protection Branch



Ontario

Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
THE ENVIRONMENT

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, December 1, 1976

Morning Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

WEDNESDAY, DECEMBER 1, 1976

The committee met at 10:10 a.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (continued)

On vote 1902, environmental assessment and planning programme:

Mr. Vice-Chairman: There is a quorum now so we might as well get started. We'll go until 12:30 this morning, and then from 2 until 6. Hopefully, then we'll be able to vote. Ms. Gigantes, would you like to continue?

Ms. Gigantes: Thank you, Mr. Chairman. I just had a couple of questions concerning the Masterloy site in Carleton East. I'm concerned to know what should happen with the arsenic, against which there is a control order on that site now. This is arsenic which is leaching into the swamp water at the back of the site.

Hon. Mr. Kerr: Is this the Doncaster Road site?

Ms. Gigantes: Yes. What does the control order say in terms of what the company should do with that arsenic contamination?

Hon. Mr. Kerr: I would think if arsenic is leaching from the Doncaster Road site it should be stopped, that's the first thing.

Ms. Gigantes: How do you do that?

Hon. Mr. Kerr: The owner and operator of the site should be told that it should be stopped. I would suggest that should be part of a control order. If the site is closed and is to be wound up that, of course, is part of the rehabilitation of the site. Herb, do you want to elaborate on that?

Mr. McIntyre: Herb McIntyre from the southeastern region. The source of arsenic on the Masterloy site is from two separate locations. One was as a result of their former operations, which contaminated the soil in a rather extensive area on their property and adjacent property; and the second is the slag

pile that currently exists on their property. The order, which is under appeal, covers the removal to a site suitable for disposal of the arsenic waste soil, soil contaminated with arsenic. That soil is not radioactive.

The second part requires them to remove the slag pile to a site suitable to the AECB and this ministry for disposal. It contains both radioactive materials and arsenic-bearing materials.

Ms. Gigantes: The first control order that you talk about, where the soil is contaminated by arsenic alone, is that near the swamp water?

Mr. McIntyre: The soil that is contaminated is rather extensively around their property. It runs up to the slag pile but includes an area to the east of their building.

Ms. Gigantes: Is the swamp water contaminated with arsenic?

Mr. McIntyre: I guess I would have to say yes; because it is sitting on soil that is contaminated it very likely is also contaminated.

Ms. Gigantes: How is the company supposed to deal with arsenic swamp water?

Mr. McIntyre: If they remove the soil the level of arsenic contamination in the water will decrease dramatically, because it will no longer be solubilizing out of the soil.

Ms. Gigantes: Where can a company put that kind of waste?

Mr. McIntyre: In any disposal site that is licensed, that has impermeable soil characteristics so that it will not further leach.

Ms. Gigantes: Is there one in the area?

Mr. McIntyre: Oh yes, certainly. The current site of the Nepean landfill site would be a suitable disposal area.

Ms. Gigantes: Thank you.

Hon. Mr. Kerr: You said the order was under appeal? By whom?

Mr. McIntyre: The company.

Hon. Mr. Kerr: What's the name of the company?

Mr. McIntyre: Masterloy Products.

Hon. Mr. Kerr: What are they objecting to?

[10:15]

Mr. McIntyre: I don't know, sir.

Hon. Mr. Kerr: That's right; we discussed that last night. We don't know yet.

Ms. Gigantes: Do you expect that this company will have to be closed down? You talk about closing down the site; do you mean the disposal site around the company or do you expect the company itself would close?

Mr. McIntyre: No, the order merely requires it, specifically in terms of the removal of the products from the soil, to do operations which will return the environment to a state which is reasonably natural.

Ms. Gigantes: You don't expect the company will have to move from that site?

Mr. McIntyre: I can't answer for the company. Presumably they'll have to do an economic evaluation of whether they can continue with their present processes at that location while at the same time adequately protecting the environment.

Ms. Gigantes: Thank you very much.

Mr. Godfrey: A supplementary question, Mr. Chairman. An appeal can be made by the company and that appeal is made to a court of law?

Mr. McIntyre: To the Environmental Appeal Board.

Mr. Godfrey: Supposing the Environmental Appeal Board turns them down again, may they appeal further?

Hon. Mr. Kerr: They can appeal to the ministry, to the director.

Mr. Godfrey: What I'm trying to get is a time dimension, how long they can continue to keep the stuff there while they're involved in appeals.

Hon. Mr. Kerr: There's a hearing scheduled for December, right? I would assume that the board will make an order either at the conclusion of the hearing or within a reasonable time after if they reserve judgement. They can appeal that to the ministry and we can deal with that with some dispatch

because we have control of it. I suppose at the outside you're looking at the end of January, hopefully. Of course, if they still don't do anything we have to prosecute.

Mr. Godfrey: How long would that take?

Hon. Mr. Kerr: To lay charges, a trial date is set, that could be into February.

Mr. Godfrey: Would you feel it would be fair to say it might be a year between the time you issue your control order and you actually get action if the company is reluctant?

Hon. Mr. Kerr: It shouldn't take that long.

Mr. Godfrey: When was the control order issued here?

Hon. Mr. Kerr: The control order was issued when—in August?

Mr. McIntyre: The end of May.

Hon. Mr. Kerr: The end of May?

Mr. Godfrey: It may not take a year but it takes 10 months in this case.

Hon. Mr. Kerr: I don't know why it took so long to have this appeal hearing. We've got control of it now. The only time we lose control is if they fail to comply with the appeal board decision or the ministry decision and we have to prosecute. At the same time I think we can always get an injunction to close the site in some way, either by way of mandamus or an injunction to stop what is a source of pollution, particularly in the event of health being involved. You say ACEB is also involved in these regulations? Yes.

Mr. Godfrey: Thank you.

Mr. Makarchuk: Mr. Chairman, the other day I asked the minister if he would have the results of testing for esoteric chemicals in the Grand River. I wonder if they're available now.

Hon. Mr. Kerr: Yes, are there any specific ones you want?

Mr. Makarchuk: You've got a whole grab bag, have you?

Hon. Mr. Kerr: Yes.

Mr. Makarchuk: You name it and you've got it. Could I have the whole list then of what chemicals have been found in the river?

Hon. Mr. Kerr: I have an extra copy here, if you want them.

Mr. Makarchuk: Yes, can I see that?

Hon. Mr. Kerr: It deals with five different sites on the Grand—Cambridge, Brantford, Caledonia, Dunnville and also the Brantford waterworks. As you can see, it deals with a number of metals and organic compounds and the levels. You'll note under data evaluation that the metals referred to have not exceeded the ministry's criteria. Mercury was not detected at any station. Chromium was low at most stations but averaged about our criteria at Caledonia.

Mr. Makarchuk: Do you know the toxic levels?

Hon. Mr. Kerr: I think things are in pretty good shape on the Grand.

Mr. Makarchuk: I'm not too sure about that because you have cadmium, you have chromium, you've lead and you've zinc.

Hon. Mr. Kerr: There is bound to be.

Mr. Makarchuk: The other thing is DDT, the one we were discussing yesterday or the day before. Again, if you're going to talk about biomagnification which may occur in the fish, you could have a serious problem developing in the fishing industry in Lake Erie, if this continues to flow into that area.

Hon. Mr. Kerr: That's a supposition. As we said the other day, our testing is going on for fish. The testing was done as a result of learning of the company in Cambridge that used a supply of DDT. We are sampling and testing on the Speed and the Grand. When we have that information we'll know if there is a DDT or a DDT problem there. That is the best way really, the most sensitive way, to measure that particular toxic compound.

Mr. Angus: I have just a couple of items, just to clear up confusion in my own mind. Both of them relate to pulp and paper mills. I guess it was on Monday in the House, during the discussion of the various orders against the mills and your report, I got the impression that you stated there has been continuous monitoring all the way through the term that is listed on the report, that is 1970 to 1975. Is this correct? You have had regular updates of the conditions of these mills?

Hon. Mr. Kerr: That's right. I can ask Mr. Pitura to comment on this.

Mr. Angus: I'm not speaking just in the Thunder Bay area. I'm talking about across the province.

Hon. Mr. Kerr: Yes, we do have regular monitoring. Some of it is done by the mills themselves and some of it is done by our ministry.

Mr. Angus: But there is always an input to central office in terms of what's happening in the various regions?

Hon. Mr. Kerr: The regularity may not be the same for every mill. As you know, some mills have control orders and some do not. Some are in a period of negotiation where the control order may be expiring and we're working on a new one.

This involves monitoring in order to enable the ministry to have a complete picture of the situation of that mill and the locality. As I mentioned before, a great deal of testing went on when the plants were shut down to get some information as to the improvement in the water quality, suspended solids and BOD. This continued after the mills were back in operation. That enabled us to deal with the report that was issued, this famous report that everybody talks about. The situation was pretty well the same as set out in the report, requiring control orders. Where there wasn't co-operation, we had to consider prosecution.

Mr. Angus: What would be the minimum number of updates per year per mill? Would it be once a year, twice a year, or four times a mill?

Hon. Mr. Kerr: Would you like to take the microphone over there? Mr. Pitura, as you know, is the director of your region and I think what goes on in that region probably goes on across the province. Would you like to comment on the regularity or the programme of testing?

Mr. Pitura: The mills submit monthly samples of various parameters which have to be sent to the ministry. We, in turn, may sample quarterly to double check the company's information. The companies also frequently split their samples to ensure that the two lab results coincide as well.

The frequency may vary from mill to mill, depending on the problems at hand.

Mr. Angus: But it's not as if it's only done once every couple of years. It's a continuous process.

Mr. Pitura: Yes.

Mr. Angus: The question I have in my mind is that we have a report which indicates that in the years 1970-75 certain things occurred. In some instances the volume of

material being dumped actually increased as opposed to decreased. I'm wondering was it not recognized either by the field staffs or by your office that things weren't going according to plan? That not only were they not reducing to meet the ministry's objectives, they were actually increasing?

Hon. Mr. Kerr: This, of course, is one of the reasons for the in-house report that was produced. During that period of time, again, the mills were expanding. There were some enlargements by some plants. In many cases, when a mill installed abatement equipment or treatment facilities to treat the effluent or emissions in the event of air pollution, that was part of an expansion programme—in some cases. They might spend \$20 million to \$30 million on an expansion programme and \$10 or \$12 million for pollution treatment facilities and this type of thing.

During that period of time, I think, with the increase of production and expansion, there would be an increase in some of these BOD and suspended solid levels.

Mr. Angus: Theoretically, if there was an expansion programme that means the actual production of the mill would increase. Is that not a safe assumption?

Hon. Mr. Kerr: Yes, but during the period of construction, I don't think there was as efficient a treatment as you would get when the expansion and the construction were completed.

Mr. Angus: In the case—

Hon. Mr. Kerr: In other words, there was a period when the abatement equipment was being installed, and the same situation was going on until that was completed.

Mr. Angus: You're suggesting that the actual relationship between 1970 and 1975 in your report is not necessarily the true picture?

Hon. Mr. Kerr: I don't think it indicates sort of indifference or lack of enforcement on the part of ministry officials quite as much as it would at first blush. Your question is, we're supposed to be monitoring these plants; we're supposed to have them under control orders. They're supposed to be treating their effluent and minimizing the contamination of their receiving waters. The report indicates that our suspended solids figures and our BOD figures are worse than they were in 1970 or 1971. There is always the economic argument of the companies. They continuously use that.

Mr. Angus: Abitibi is using it today.

Hon. Mr. Kerr: They continuously use that and in 1970-71 and early 1972 the industry, I guess, was in the doldrums. Apparently, in 1973-74, the situation improved as far as the pulp and paper industry is concerned. As the report said, with the various incentives available to the companies, there was no reason for them not to go ahead with their treatment facilities and the requirements of our ministry.

Mr. Angus: Yet Abitibi in Thunder Bay is saying today that it questions the future of the Mission mill. I'm sorry—not the Mission mill but the Iroquois Falls mill.

Hon. Mr. Kerr: They question the future of it?

Mr. Angus: That's right, because of the discussions that have been appearing in the press in the last couple of days.

[10:30]

Hon. Mr. Kerr: That is right. The Iroquois Falls mill is, frankly, outside of some very basic treatment installations. The company just hasn't gone ahead as much as it has, for example, with those mills in your riding. They just said "For us to spend the amount of money that you require under your proposed control order would not make it feasible to carry on the operation of that mill." That has been their argument. Does anybody have any idea of the proposed amount of expansion or the cost of that expansion at Iroquois Falls? What would be required in the way of money?

Mr. Barr: It would probably require a new mill. Change the whole process and construction of a whole new mill. It is a question to them of the economic viability of that.

Mr. Angus: When you are doing the orders—and let's use Iroquois Falls as an example, where it seems the only thing they can do, as John would say, is possibly build a new mill—do you then consult with the Ministry of Natural Resources to say this is what we are thinking about; this seems to be the only path that the company can go; do they have the appropriate cutting rights? Do they have enough wood there to actually have a new mill? Is this kind of thing occurring?

Hon. Mr. Kerr: I don't know if we do go to that extent. This is something, of course, that the company would make known to us in their discussions with us, whether or not they can do what we want them to do. They give an indication of the inventory of their wood lots and whatever rights they may have

to Crown lands, and that I am sure would be made known to our people when they say, "Look, we can't do what you want us to do. It is not feasible. The only answer is either a new mill or to stop doing business at Iroquois Falls."

Mr. Angus: Right, which affects the whole community.

A couple of minutes ago you indicated that there was a testing when the mills were shut down. I am again getting confused, because I thought we had cleared that up last July; that you had indicated only testing was done for the Thunder Bay mills during the shutdown period and that no testing was done in the other mills. Is that correct?

Hon. Mr. Kerr: I was under the impression that most of the other mills were also tested. Is that right, John?

Mr. Barr: Yes.

Mr. Angus: Okay, because in the House and in a letter to me you indicated that information was available for only the Thunder Bay mills when I had originally asked for all the mills.

Hon. Mr. Kerr: That may have been done subsequent to your question, Iain, I am not sure. My information is now, as I indicated in the House, that in all the mills that were affected by that strike there was monitoring during that period of shutdown.

Mr. Angus: I am pleased to hear that, I really am, because I was quite discouraged last summer.

Hon. Mr. Kerr: For example, there is no question but that we did it in Dryden and there is no question we did it at Iroquois Falls, because that is part of the information we have in respect of these prosecutions.

Mr. Angus: I haven't gone through the report fully. Does this report indicate the changes during the shutdown period to give us an indication of how quickly the rivers are or can be cleaned up?

Hon. Mr. Kerr: I don't think so. The report itself came out a little over a year ago, and before the strike even started, and then the update—

Mr. Godfrey: Excuse me. You say the report came out. From where? Your department?

Hon. Mr. Kerr: Yes.

Mr. Godfrey: It wasn't tabled.

Hon. Mr. Kerr: No, because it was an in-house report. It was a report done by our employees for the purpose of dealing with the pulp and paper mills in the province.

Mr. Godfrey: I realize that, sir. I just wanted to clear up confusion that it was public knowledge.

Hon. Mr. Kerr: I should say it was available in November 1974, about two years ago.

Mr. Angus: Could you then provide the House—I guess just by tabling—with information about the changes that occurred in all the mills, such as you gave me for the four Thunder Bay mills, so we can see the percentage change during the shutdown period?

Hon. Mr. Kerr: Sure we can table that information for you.

Mr. Angus: Thank you very much. That's all I have, Mr. Chairman.

Mr. Wildman: In regard to what my colleague from Fort William (Mr. Angus) was asking about, could you indicate to me how the ministry determines the economic viability of a plant when you issue a ministerial order, or when you are considering doing so, and the company's position is that to comply will make it an uneconomical operation and they may have to shut down? How do you go about determining whether or not they're giving you a valid description of their economic position?

Hon. Mr. Kerr: First of all, of course, we'd start by monitoring and testing the effect of that mill operation on the environment—on the receiving waters or the atmosphere—and, generally, the degree of contamination that is resulting from that mill operation. Then we attempt to draft an order that will result in the mill complying with our requirements, our standards and our criteria.

We know what has to be done to meet our objectives and to comply with our legislation. Generally, from our experience with other mills, we are able to calculate the cost or to get probably a guesstimate of the approximate cost of doing what we will require that mill to do. It's then, I would assume, we would enter into negotiations with the company and say: "Here is the information. Here are the BOD readings, the total suspended solids readings, the level of emissions from your stack"—and this type of thing; again, it varies with the type of mill. "This is what we require you to do over a period of time." Then, of course, the company does its own calculation of costs and does or does not

agree that the figure is acceptable. Then the time factor is negotiated, including whether the technology is available to do what we want them to do and this sort of thing.

At that stage, we enter into a rather prolonged period of negotiations with the company. We have some idea of the financial capacity of the company, and we're aware of what tax incentives may be available to the company for the installation of pollution abatement equipment. Finally, after that type of negotiation, an order or a programme is entered into.

If there is inflexibility on the part of the company after we've sort of made a decision after judging all of the submissions they've made, then we would unilaterally impose a control order. In some cases they reluctantly accept the order and try to adhere to it as far as the scheduling of certain installation requirements are concerned.

In some cases, as you know, at the end of the three- or five-year period, or before the end of that period, when it's obvious that the company can't meet the deadline, a new order may be negotiated. That sometimes is better than allowing the deadline to mature or be reached and still have nothing done. Do you want to add anything to that? Is there anybody who could add to that? Len, would you like to add to that? Might as well stay over in that area while we're talking about the pulp mills. John, would you want to discuss this? Len? All right.

Mr. Pitura: Basically when it comes to economics we don't enter into a debate with the company. We certainly have an idea what it is going to cost generally to provide the abatement facilities. Some of the companies volunteer a programme, we decide if it's technically sound and then we can enter into a programme approval. This is sort of a voluntary approach. If a company doesn't submit a voluntary programme then we go the other route of a control order issued against the company on what we want done within a specific period of time.

Mr. Wildman: Okay. What's happening with American Can at Marathon? What's the position economically in regard to the process of dumping into Lake Superior?

Mr. Pitura: There is an order that's already been drafted under The Ontario Water Resources Act, which presumably will be issued within the next few weeks, to eliminate some of the toxic materials entering the lake right now. There is also an order in place there now, ordering the company to decrease the

mercury process in the production of chemicals.

Mr. Wildman: How long will it take to change the process so they are not dumping the mercury?

Mr. Pitura: As early as December, 1977, if they have to purchase the chemicals. If they choose a process to manufacture their own, it's December, 1978.

Mr. Wildman: What effect is that having on commercial fishing in the area, for instance? The commercial fishermen fish almost right up to the mill.

Mr. Pitura: That I don't know.

Hon. Mr. Kerr: You're concerned about mercury levels in certain species of fish?

Mr. Wildman: Yes.

Hon. Mr. Kerr: That information would be made known from our sampling, wouldn't it?

Mr. Pitura: Yes, we did take some fish this spring and again in September and our report is now underway documenting the results of the fish analyses, the mercury in the water, and also in the sediments.

Mr. Wildman: All right, I don't want to take very long here, I have a couple of other things I want to ask about. First, if you say that all this negotiation process takes place, can someone tell me here what's happening with the Hawk watershed at Goudreau, north of Hawk Junction where acidic pollution is seeping into the watershed and has polluted the whole watershed from the abandoned Algoma Ore Division pits, killing the fish and fouling the system?

I asked someone from your ministry in Sault Ste. Marie to go into the area and inspect it last summer and they did so. They reported to me that they had inspected it and they found a high level. However, they wanted to do it again when the water level was higher, because last year because of the drought the water level was pretty low.

I asked for the report that they had made and I was assured by somebody in the Sault Ste. Marie office that I would receive it. I have yet to receive it. I called back two or three times asking for it and each time they've said, "Yes, we'll send it to you," but I haven't received it. I'd like to know where the report is, what it said and what's going to happen with those Algoma Ore pits that have been abandoned and are polluting the Hawk waters.

Hon. Mr. Kerr: You say there is leaching from those ore pits?

Mr. Wildman: There are four abandoned pits there and I believe three of them are leaching into the system.

Hon. Mr. Kerr: Mr. Fry, would you like to comment on that?

[10:45]

Mr. Fry: The pits were surveyed this summer by ministry staff in Sault Ste. Marie and the report is available. Normally the transfer of this information is from the minister's office to yourself and the report has been sent along. We certainly found that the pits are acidic and there are high metal levels within the pits themselves but because of the relatively low water table this summer there was no effluent that we could find from the pits themselves or no effect on the receiving watercourse.

Mr. Wildman: I am not debating with you but I was told there was testing done in the creeks lower down and they found some evidence but not as much evidence as the local people said there was. That is why they wanted to go back when the water was higher.

Mr. Fry: My understanding is there was no evidence of any effect on the receiving stream. Certainly, there is a potential for some effect although that material will probably be flushed out when there is a fairly high flow in the spring. It is questionable again, because of the dilution effect, whether there would be any effect on the creek itself. It is our intention to develop control programmes with Algoma Ore with respect to that situation.

Mr. Wildman: The local people in the area and the tourist outfitters say that the fishing is not nearly what it was a few years ago and this isn't due to overfishing. They indicate that they have found dead fish. I would hope I could obtain that report and that you will be going back and doing testing later on.

Also, in relation to Algoma Ore, I understand that air pollution from the stack at Algoma Ore has cut a strip of forest about 20 miles long and about two miles wide which looks like Sudbury, north of Wawa. If that is the case, what is being done about it?

Hon. Mr. Kerr: Are you aware of that, Mr. Fry?

Mr. Fry: Yes. Certainly there is an extensive area northwest of Wawa which has been affected by sulphur dioxide emissions. At the present time, the company, at least through 1975 and 1976, has engaged a consultant to do a meteorological study of the area with respect to determining some viable solution. We had a control order on this firm, heading toward a stack. However, this programme was interrupted because we had some concern that perhaps the stack wasn't the best answer.

Mr. Wildman: It would just spread it farther.

Mr. Fry: It is conceivable it might start burning vegetation. Elsewhere, it might affect some sensitive lakes. It was thought the discreet thing to do was to do a more thorough meteorological study to determine the best answer to that situation.

Mr. Wildman: Okay? Is that the same sort of situation that you have with Weldwood Lumber and their pollution? That is a much smaller operation, of course, and it is a lumber operation but I understand that their air pollution—this is at Searchmont—they claim they couldn't afford to put in the kind of equipment which would lower the air pollution in that area.

Mr. Fry: I must admit I am not familiar with that. If this is a tepee burner, a wood incineration process, it is conceivable that there isn't a satisfactory answer at this time. More and more of these firms are finding that there are heat recovery units in which they can incinerate the wood waste and pay for the equipment, if you will. If you have any specific questions, I will have to get the information. I am not aware of the problem.

Mr. Wildman: I appreciate that. Also, I would like to point out that Algoma Ore is a division of Algoma Steel which is controlled by CPI Investments. I think it is a very viable Canadian company and surely it can afford to do the kind of work necessary to clean up in the Wawa area.

Hon. Mr. Kerr: You say the Algoma Ore pits are still owned by Algoma?

Mr. Wildman: Yes. They are abandoned; they haven't been used for a number of years.

Hon. Mr. Kerr: As long as we know who owns them.

Mr. Wildman: All right. I want to ask one more question and this is in regard to a mu-

municipal water and sewer project at White River. The minister knows that Abitibi plans to open a mill at White River in July 1977, but I have been informed by the company officials that they cannot open it as a full operation unless there is more housing in White River; however, there can't be more housing in White River unless there is a municipal water and sewer system. They also recently built a medical centre which has been sitting vacant because there is no sewer system. The Ministry of Health has spent a lot of money building that medical centre and it is not being used—or it is only being used one day a week, I think.

I understand that the minister went to the Management Board this month with a proposal to lower the cost and to get approval for this project. It first was going to go through in 1975 and now it looks like it will be 1977. Can you tell me where that proposal is? Is Management Board prepared to allocate the funds necessary for the water and sewer project at White River?

Hon. Mr. Kerr: This is another project that is something like the project in the Nakina area in Thunder Bay, where it involves the particular company in a substantial investment and expansion, providing employment and requiring infrastructure. As the hon. member knows, we have tried to involve DREE in this proposal. It is essential that they become involved, because the substantial costs, I believe, will amount to about \$4 million, at least initially, and possibly more.

Mr. Wildman: The price doubled, though, because it took so long to get things going.

Hon. Mr. Kerr: One of the problems here is that we should have involved the company initially in providing at least a share of the cost of infrastructure. We have done that in other similar projects in the north, but in this instance we did go ahead; there is no question about that. The ministry indicated approval of a very costly project as late as a year ago, and we are committed now to going ahead with the project.

I am still hoping we will get an answer from DREE. Management Board is still negotiating with DREE; we have involved the local federal member in that area and we are getting some encouragement from him. I am hoping we will get an answer very shortly.

We have been able to scale down the costs there substantially. We now have got an estimate of about \$1.25 million—not for servicing the whole area at once but by staging it. Because of the lower estimate, I am

hoping that there is a good possibility that we can get a start on it during the next fiscal year.

We agree that we have to provide servicing. I guess we are going to consider other than a communal system in some areas, at least on a temporary basis. But if we are going to enable the housing to be provided for a work force there, we have got to get started during the next fiscal year.

Mr. Wildman: I understand that DREE's position was that since there was such a small population and since DREE are already involved in providing money for the mill, they felt their expenditure was already substantial considering the size of the population of the area. I suppose it's rather illogical; if they are willing to put in money for the opening of the mill, surely they should be willing to put in money for the infrastructure.

Hon. Mr. Kerr: Yes, and DREE's investment in the mill really won't help White River very much, will it?

Mr. Wildman: No, it won't. If there is no housing at White River, the work force will probably live at Wawa and be bused, and that won't help White River very much.

Hon. Mr. Kerr: Whose riding is White River in?

Mr. Wildman: My riding.

Hon. Mr. Kerr: I see.

Mr. Lane: We can change it.

Mr. Wildman: It's just two miles from Jack's riding, but it would also benefit Jack's riding, of course.

Hon. Mr. Kerr: I see. Six of one and half a dozen of another, if it is near Jack's.

Mr. Wildman: It would benefit the people living at Mobert in Lake Nipigon riding. It would benefit the whole area. People from Dubreuilville and Hornepayne are also looking at getting jobs at White River if the mill opens. We need the water and sewer project. Can you tell me when you expect a final decision?

Hon. Mr. Kerr: I expect a final decision early in the year as far as any federal government involvement is concerned, either by way of DREE or financing with CHMC, but I think that I have to make a commitment that there be a start on that project during the next fiscal year.

Mr. Wildman: Fine, thank you.

Mr. Godfrey: Thank you, Mr. Chairman. I'll try and be brief and avoid any rhetoric. I want to discuss The Environmental Assessment Act under item 1. As you know, there have been several criticisms brought forward with regard to the Act and I want to talk about one or two of them. You have already indicated you will be expanding the review process from provincial government projects to other sectors as well. Can we have a timetable on that?

Hon. Mr. Kerr: I think somebody else asked me that during these estimates. Our hope is that the municipalities will be involved in the Act by about the middle of next year. We've tentatively set July 1 as a target date. There is a committee set up with the Provincial-Municipal Liaison Committee working with representatives from the municipalities, Housing and our ministry working with the regulations committee under the chairmanship of Dr. Chant. We are making headway discussing what exemptions, for example, should be allowed on certain municipal projects and what should be part of the Act. Did you ask me about the private projects?

Mr. Godfrey: Yes, sir.

Hon. Mr. Kerr: As far as the private projects are concerned, I believe at the time the Act was passed in the Legislature my predecessor indicated about three years from that point. So that was 1975, I suppose sometime by 1978 the private sector will be completely under the terms of the legislation.

Mr. Godfrey: Thank you. I realize the nonchalance of your supposition. Why should it take three years?

Hon. Mr. Kerr: One of the reasons for the delay and for the staging is to enable the ministry and the board to gain a certain amount of experience. For one thing, we want to find out what the impact is on development and on projects, at first government projects, required to be under the environmental assessment process. You've seen the great flow chart and everything that's attached with this. Does it mean a substantial delay from the inception to the completion of a project? Can the Act be streamlined to eliminate some of the frustrations that may develop and some of the delays that may develop?

We have had an awful lot of submissions from the private sector and from the municipalities indicating that this is just another bureaucratic step, that it is going to com-

pletely discourage certain projects or will make the cost, in some cases, triple because of the time element involved and because of the necessity of preparing impact studies and taking part in hearings, delayed hearings. I am hoping that isn't so. I hope that much of the work can be done in tandem; for example, in the event that there is an OMB hearing required a lot of the same material will be required for both hearings. How busy does the board get in requiring hearings? Do we need more people on the board? Do we need a bigger staff in our ministry or at the board level to handle these assessments, these hearings and these considerations of projects?

[11:00]

This is very significant legislation, to say the least. In the States where they have a similar type of legislation there has been a great deal of criticism and there has been a continuous amending of the Act and amending of regulations.

The idea with this legislation is not to frustrate growth and expansion but to accommodate it in a way that there won't be the after-the-fact assessment and consideration of the projects, in the end result it will speed things up and assist in the proponent of those projects. All I can say is that we are going to need some experience under this Act.

The Act gives the board the power to make decisions which the board didn't have prior to the proclamation of this Act. It's going to have its plate full with government projects for the next few years. We want to wait before we bring in all the private sector. And, as you know, some projects have been brought in. We are going to proclaim the section of the Act that applies to the private sector, although we have to proclaim specific regulations applying to a private sector project in each case. There won't be a general application of that section, I would say, until late next year or sometime early in 1978.

Mr. Godfrey: I won't debate with the minister, although I would dearly love to do so. I merely point out that for two or three days we have been sitting here listening to a litany of pollution, most of which comes from the private sector. Now we are going to sit back and see what happens over the next two or three years, while lead continues to be poured out at Marathon Bay, but I won't go into that.

Hon. Mr. Kerr: Those are old plants that we're mainly concerned about.

Mr. Godfrey: Old plants, old problems.

Hon. Mr. Kerr: I think it might be an idea to deal with that. As the hon. member knows, The Environmental Assessment Act will apply to existing plants where there are expansions or change of use as well as to new projects. Even without the Act, under our existing legislation we are in on the ground floor in many respects as far as approving those plans is concerned and making sure, for example, in the Nanticoke development that the plant will meet our environmental criteria as to emissions and effluent before a sod is turned in many respects, because they have to get permits and permissions and approvals from us. I agree with you that the sooner this sector is brought in, the better.

Mr. Godfrey: If I could move on from that then, when does the minister intend to fund bona fide objectors who wish to take part—not necessarily objectors but proponents—in the environmental assessment process?

Hon. Mr. Kerr: I don't think we have any plans for that, do we?

Mr. Biggs: No.

Mr. Godfrey: Looking at the detail flow diagram that we have with The Environmental Assessment Act—this document is not numbered—I have a major concern here with regard to the fact that all of the decisions at the right-hand side of the chart, the real business part of the chart, are marked in that as a pink mark, which says minister with approval of cabinet, thereby ruling out the possible intervention of the Ombudsman.

Hon. Mr. Kerr: Can I look at that just to refresh my memory?

Mr. Godfrey: No way.

Mr. Makarchuk: Give him back his file system.

Hon. Mr. Kerr: Not in a brown envelope anyway.

Mr. Godfrey: It's over on the right-hand of the chart. The Ombudsman can't get in there in any way, shape or form.

Hon. Mr. Kerr: We don't want him in there.

Mr. Godfrey: Exactly, that is the first word of truth I have heard in three days.

Hon. Mr. Kerr: It's only muddying the waters. The legislation gives the minister great powers—no question—with the approval of cabinet. The board decides on acceptance and approval of the undertaking. The minister by order in council can vary or substitute

the decision. This is under the legislation. He can require a new hearing. He can send the report back and ask for further information. Then a final decision is made. The pink ones you are talking about give the minister substantial powers under the Act.

Mr. Godfrey: I agree, and that's what my concern is, that those powers are really uncontrolled. When we have an Ombudsman who has been duly appointed by a responsible government to take care of the interests of other people, it seems to me he should be able to intervene. He is specifically precluded from intervention by your chart.

Hon. Mr. Kerr: I think you have to have faith in the minister.

Mr. Godfrey: We have great faith in you. It's just some of your employees we don't trust.

Mr. Biggs: I'd like to comment on this. First of all, there've been a few comments made in reference to this chart. We have received a letter from the Canadian Environmental Law Association commending the chart and recognizing that it was intended to be used as an explanation of the legislation.

They also say in the letter, and unfortunately I don't have a copy with me but we'll get a copy, that it's a true reflection of how the Act operates.

The development of this legislation, speaking from an administrative standpoint, was very interesting. We had it in committee. There were 28 amendments to that that came from environmental groups and the legislation went forward in my experience as an administrator with more unanimity than any other piece of legislation.

The point I'm making is that we were gratified at the overall support that this approach had in the legislation at the committee level and subsequently at the Legislature. So it is a true reflection and there are a lot of built-in safeguards here. With the openness of all of the matters concerned with environmental assessment, perhaps there isn't another piece of legislation in Canada that requires the disclosure that this legislation does. I suppose for this reason everybody was quite willing to accept the fact that there was a great deal of discretion on the part of the ministry here.

Mr. Godfrey: I do appreciate that and I do think that it's an excellent piece of work far in advance of other things. But I'm a social democrat. I want more. That's what it comes down to.

As for the 28 groups to which Mr. Biggs referred, this is quite true, but he didn't accept all the recommendations. He accepted the ones which suited him. For example, there was the matter of funding bona fide citizens' organizations so they can participate. I can tell you from the experience with People or Planes, which was an environmental fight, that \$110,000 had to be raised out of private purses in order to fight the government. That's what it came down to. There were several other things too.

Hon. Mr. Kerr: The federal government, please.

Mr. Godfrey: The federal government, I apologize. It's much more expensive to fight the provincial government.

I would point out too that the minister has so much discretion that he can say whether there's going to be an environmental assessment or not. It's his discrimination only. This power is vested in him. It's an awful lot of power and I would hope that sometime in the future we can talk about a check-and-balance arrangement.

If we could move on from that, you were good enough to provide me with the list. I'm speaking about The Environmental Assessment Act. Continuing the matter of the exemptions which were given under the regulations to The Environmental Assessment Act, you were good enough to indicate them to me. I was interested in looking through the exemptions to see just what had been exempted.

One of the things that concerned me as to what had been exempted was the "watts from waste" plant. The reason for this, as is given in many of the exemptions, is that the minister, believing that it would seriously interfere with or delay the generating capacity, et cetera, hereby exempts "watts from waste."

I wanted to ask you is that the best sort of a front to put up? Here we have an environmental ministry which is exempting one of its projects from an environmental assessment.

Hon. Mr. Kerr: Don't you think that we're going to satisfy ourselves?

Mr. Godfrey: I am sure you have, sir, and I am sure you are prepared to table the noise factor around the "watts from waste" plant, because you have already done that.

Hon. Mr. Kerr: I am just wondering, where we have an experimental plant of this kind involving our ministry, Hydro and Metro, which is a plant to in some way enhance the environment, and it is pretty well down

the road—the planning for that plant was completed certainly before the Act was proclaimed. It would probably come under the basic category of exemption in that the project is deemed to have little environmental effect. Whether or not it does, I am subject to correction, but I am satisfied that the construction of the "watts from waste" plant and the operation of that plant will be as stringent as would be required as a result of any decision of the Assessment Board. Do you want to comment on that?

Mr. Caplice: Yes, Mr. Minister. The "watts from waste" project is being put through the hearing process under section 33 of the EP Act, and the hearing to deal with the noise factors opened approximately three weeks ago and was adjourned. There is currently a noise survey being undertaken by consultants and the hearing will reopen, I believe, early in the new year and the normal processes under section 33 of the EP Act will apply in full to that project known as "watts from waste."

Mr. Godfrey: Then I may inquire, Mr. Minister, supposing the noise survey comes back and shows that it's going to be a definite noise hazard in the neighbourhood in as much as I believe it is going to operate for at least two shifts and maybe three—

Mr. Caplice: Two, I understand.

Mr. Godfrey: Two shifts, and you are going to have a certain noise factor there in the evening recreational hours; supposing the report comes back that this is going to be an unacceptable level of noise, can we expect the minister to step in and say it cannot proceed?

Hon. Mr. Kerr: We correct that. Certainly. Isn't this plant in an industrial area?

Mr. Caplice: Yes.

Hon. Mr. Kerr: How close is the nearest residence?

Mr. Godfrey: Just 327 yards.

Hon. Mr. Kerr: You mean we have got residential zoning next to industrial zoning here again?

Mr. Godfrey: Don't ask me a question like that, George. I will give you an answer every time.

Hon. Mr. Kerr: That was miles. It was miles. Okay, next question.

Mr. Godfrey: Thank you. I am concerned about the exemptions that you have put forward.

Hon. Mr. Kerr: You should put these fellows under oath.

Mr. Godfrey: Could we now move on to the report on the alternative policies for pollution abatement, which has been discussed in part? I just wanted to have the minister confirm a couple of statements that are made in the document, realizing that four of the plants were outlined as being dangerous to health over a large period of years in addition to being possibly dangerous to health; it's quite a document. Can we take it that the industry can put in adequate pollution controls without loss of jobs or profits, as it says in your report?

Hon. Mr. Kerr: I think it's important not to lump all of the companies or all of the plants at once in that statement. The report indicates that many of the complaints of industry as to the economics of their plant that it wasn't feasible for them to comply with our control orders and incur the expenditure that we would require.

One of the incentives we had was The Pollution Abatement Incentive Act, which expired the end of last March. That was a five- or six-year programme that we commenced in 1970, I believe, with the idea of having an incentive programme to encourage industry over this crucial period now, the first five years of this decade, and particularly the pulp and paper mills, to go ahead with a programme of pollution control and the installation of treatment facilities.

[11:15]

Some of them, as you know, went ahead and some of them did not complete, so we expanded that programme one year, but unfortunately it hasn't been expanded beyond the last fiscal year. There's still the fast tax write-off provisions available; I believe the ODC provides loans up to about a quarter of a million dollars—that's only good really for small plants—and the sales tax, as Mr. McKeough just announced the other day, on production equipment. The only thing I can say is that I think for the most part it may well apply to the company more than the plant. You have a company like Abitibi that has 10 or 12 mills in the province.

An hon. member: Seven.

Hon. Mr. Kerr: Seven? You didn't close Iroquois Falls, did you?

Mr. Biggs: It's eight.

Hon. Mr. Kerr: Eight? All right. The profit picture of the company in respect to their operations in Ontario may very well be very

healthy, but within that family of eight mills there may be one or two that they're really not making any money with. That is a factor that I'm sure the authors of this report considered.

Dr. Victor, co-author of this report, is here. Would you like to comment on it, sir, at all?

Mr. Godfrey: Before Dr. Victor does, can we just put in what he said? Page 36, quote: "There is no reason to believe that the cost of achieving pollution abatement levels specified by the Ministry of the Environment will seriously jeopardize the profitability of the paper companies in question or cause them to close specific mills."

Hon. Mr. Kerr: I would say that that statement is true.

Mr. Godfrey: Then we can accept it that companies will not lose money. Can we accept it that there will not be unemployment as a result of enforcing the pollution controls?

Hon. Mr. Kerr: I think that can also be said. I think we've been criticized in respect of negotiating these control orders and ministerial orders, that we do too much negotiating, particularly on the time factor which is very important to the company. If they have to spend \$20 million and they can do it over five years rather than two or three, that is an advantage to that company. Also, as I am sure Dr. Victor is bound to say to you, when the company installs some of the type of equipment we require, that improves the production process of that company. It increases the efficiency—

Mr. Godfrey: And profitability.

Hon. Mr. Kerr: —and therefore it should increase the profitability.

Mr. Godfrey: I believe Dr. Donnan also said it would result in more employment if proper pollution controls were put in. Not only the employment from increased profitability but also the employment caused by putting in the controls. Is that not so?

Dr. Victor: Yes, it seems from a study undertaken by the federal government that expenditures on pollution control is quite a good job-creating activity, in fact, the reason being that much of the equipment that is used for pollution control is in fact produced in Canada. When there is construction work involved then, of course, the jobs will also be created in Canada. When you compare this with expenditures on production equipment, normal production equipment for the pulp and paper industry, a lot of that equipment

is imported and so the jobs are created outside the country. So you can get the result where the effect of having companies spend more money on pollution control in fact gives a net increase in jobs. Whether or not that net increase takes place in Ontario, we don't know at this moment.

Mr. Godfrey: Do you have any idea of what sort of an increase? Is it 100 or 200?

Dr. Victor: It all depends on the amount of money we're talking about and the kind of pollution control.

Mr. Godfrey: I would like to say, Mr. Minister, that I congratulate the authors of this report and your ministry. I think it's an excellent report. I was particularly intrigued with their system of pollution delay control penalties and would like to know if your ministry is going to opt for that solution to the problem?

Hon. Mr. Kerr: That is something that the ministry has been considering along with one or two other suggestions. This has been criticized by some people within the ministry that it may be considered a licence to pollute.

Mr. Godfrey: That's what you've got now.

Hon. Mr. Kerr: The more I think of it, and the more I assess the present situation with some mills in northern Ontario, this looks like a very worthwhile proposition. I would think that in our negotiations with the companies, if they were prepared to accept this type of monitoring and feel that it may involve some saving to them, that our requirements sometimes are too stringent and too expensive, by real accurate monitoring or metering of the situation at that mill in respect to suspended solids, BOD, quantity and quality, that they could save money by entering into an arrangement of this kind.

If a company felt that way and we were satisfied that it is an accurate form of monitoring and will, in fact, help the effluent or emissions, I would think that we would seriously consider this as part of our programme.

Mr. Godfrey: Thank you, Mr. Minister. I would close that section and just ask: The only thing tested in water pollution was the BOD 5 and the suspended solids. There was no test made of PCBs emitted from the plants into the water.

Hon. Mr. Kerr: In the recent—

Mr. Godfrey: Under this five-year study, To Alternative Policies on Pollution Management.

Hon. Mr. Kerr: Was there, Dr. Victor?

Mr. Caplice: That's correct. The programme that Dr. Victor and Dr. Donnan looked at in terms of this report really concentrated on alternative policies and strategies for dealing with the pulp and paper industry. The two pollutants that are most obvious and historically have been associated with that industry and on which we have the most data, are suspended solids and BOD. The emphasis in their report was to pick, from a range of problems posed by that industry, those specific contaminants and to concentrate on those with regard to developing alternative strategies.

I think that report has to be looked at as an industry-wide report, looking at the problem in a macro sense. This report was not developed to deal necessarily with the specific problems posed by other pollutants arising at specific mill locations with regard to the lakes in Ontario or the rivers. So there is some confusion in the public's mind that this report was produced to deal with, say, Reed Paper and its situation in the Wabigoon River. This is not the case. This report—

Mr. Godfrey: We didn't say that.

Mr. Caplice: I agree. But we have been bombarded by the press and others assuming that the two things are interconnected and they are not necessarily connected at all.

Mr. Godfrey: I appreciate those remarks, but inasmuch as the report said there was no improvement in BOD 5 or SS—as a matter of fact, they got a little bit worse—therefore lending a certain sense of urgency that something should be done, did any of your other tests show a rising level of pollution? For example, could you give me the PCB levels over the past five years? Have they been rising from the effluent from these mills which were tested?

Mr. Caplice: I don't believe, Dr. Godfrey, that we have extensive monitoring on PCBs in pulp and paper waste effluents.

Mr. Godfrey: True.

Hon. Mr. Kerr: We've been testing fish for PCBs in the area of these mills, haven't we?

Mr. Caplice: Mr. Ronan may be aware of the fish testing that has been done in particular relationship to the mills.

Hon. Mr. Kerr: I realize you want the effluent—

Mr. Godfrey: We've already been through this fishy story and we've sort of thrown that out. We'd like to have them test the water and the effluent. If you can test the effluent coming from a sewage plant for PCBs, you can test the effluent coming from a pulp plant for PCBs. Do we have access to those figures?

Hon. Mr. Kerr: I don't know if that testing went on. Gerry Ronan, we didn't test for PCBs?

Mr. Ronan: That's correct.

Hon. Mr. Kerr: Just mercury, solids and BOD. Is that it?

Mr. Ronan: Yes.

Mr. Godfrey: And arsenic?

Hon. Mr. Kerr: Arsenic? Nothing for arsenic.

Mr. Godfrey: Lead?

Hon. Mr. Kerr: Lead?

Mr. Godfrey: Do you not have one of those multi-testers where when you put a drop of water in you get back 20 instantaneous results?

Hon. Mr. Kerr: Such as you use in your pool?

Mr. Caplice: No. We have a scan.

Mr. Godfrey: Presumably in the scan you will have a fair amount of things being reported?

Mr. Ronan: Normally our field people will request certain key parameters which are associated with the industrial discharge of the particular industry being assessed. Trace metals normally are not requested with a pulp and paper company because there is no basis for believing there are any of those substances present in the waste. Just to return to the fish part again, that usually is a good clue if there has been any source of metals discharge.

Mr. Godfrey: We do realize the limitations of the fish, don't we?

Mr. Ronan: There's no difficulty in doing these tests, but with the PCB work we have concentrated on trying to look province-wide at all the lakes to get a picture of how ubiquitous it is. We have no data on the discharge from these plants.

Mr. Godfrey: A purely rhetorical question. I'd be very interested because I strongly suspect we are getting a lot of PCBs from the mills. Obviously it's coming from some place and I would commend that to your ministry to look at.

If I could move on to the Canboro deep well problem, a question of disposal of industrial waste, you were good enough to provide me upon my direct question to you with the documentation that showed that there was no danger, or at least the background documentation, which showed the result of putting industrial waste 2,300 feet under the ground. My specific question to you is, would you provide me with the background papers as to what happened? I have received your letter, for which I am very grateful for nothing. You didn't give me any background papers as to work your ministry has done or what it knows about the effect of putting that type of discharge deep into the ground. I would like now to confirm that you have no further information.

Hon. Mr. Kerr: Have we got anything beyond what was sent to Mr. Godfrey?

Mr. Turner: We do have reports from the United States, from EPA, on deep well disposal techniques. This whole process of deep well disposal was evaluated some five or six years ago within the ministry when the process was being considered at another location. There have in fact been two proposals for Cambrian disposal, prior to this one, that have been evaluated by the ministry in the past. The documentation doesn't exist in a single document but there is information available.

Mr. Godfrey: I apparently didn't express myself clearly enough in the question I put originally. Could I have that documentation or copies of same?

Mr. Turner: I will attempt to find it. It's rather widespread in our records.

Mr. Godfrey: You don't have one file on deep well deposition of liquid wastes? It's about the hottest subject in southwestern Ontario right now. You haven't gathered that all together, arming yourselves for the onslaught which is about to come?

Mr. Turner: I have sufficient information.

Hon. Mr. Kerr: Not every well is the same for one thing. That's one point that should be made. You have got the Detroit formation; you have got the Cambrian; you have got wells that are 400 and 500 feet deep;

and you have this one that's about 3,000 feet deep. Is there some distinction between those?

Mr. Turner: There is, but I think Mr. Godfrey was referring to Cambrian disposal and we have evaluated two other Cambrian disposal well proposals. There is information but unfortunately it's widespread. There is not a single file that has all of the information together.

Mr. Godfrey: Could Mr. Turner summarize the findings of your previous evaluation?

Mr. Turner: Yes.

Mr. Godfrey: Today, now?

Mr. Wildman: Verbally.

Mr. Turner: From contact with the people in the United States—EPA, which has monitored disposal well techniques—I am aware that there are some 200 disposal wells in the United States, of which there are 40 into the Cambrian formation at varying depths, because the formation is at various depths depending on the location. As far as EPA is concerned, I was told that there are no real problems with this process, providing the operation is carried out in an appropriate manner and that suitable controls are placed on the operation.

[11:30]

I'm sure you are aware that there have been two or three incidents associated with deep wells and I think in each case—barring the Denver, Colorado, one which was rather special, because the well was located near a geological fault, which should not have occurred in the first place—but in respect to the other two that I am aware of, the problems occurred as a result of poor operational techniques on the part of the companies operating them. In fact the injection pumps should have been shut down and they weren't, and as a result the casing blew out of the hole and the material spilled over. There was not, however, any large-scale environmental damage associated with either of these two blowouts.

Mr. Godfrey: Did those reports indicate what happened to the material after it was put in? Did they use trace elements, for example, to see what happened after a year or two years?

Mr. Turner: I am not aware of studies along those lines that I have actually read. I have heard of studies, but I haven't actually read them.

Hon. Mr. Kerr: Do we do that in a Cambrian-type well?

Mr. Turner: We have not got a Cambrian well operating.

Hon. Mr. Kerr: I see. Would we plan to do that at a disposal facility of this kind in our monitoring or our checking?

Mr. Turner: I don't believe we were planning specifically to put tracer-type materials in. We were planning to try to ensure that there was no migration out of the formation into which the fluids are injected.

Mr. Godfrey: Excuse me, are you a qualified geologist?

Mr. Turner: No, sir.

Mr. Godfrey: Then it would be unfair of me to ask you the question, "Do you think it would be unusual to put all that fluid down there without putting in some trace elements, which should have been done years ago, in order to see what was going on with it?" so I won't ask you the question.

Mr. Turner: I am very grateful.

Hon. Mr. Kerr: That's something that the Assessment Board may very well define.

Mr. Godfrey: Thank you very much, sir. I would also point out, as we mentioned the other day, that the Cambrian disposals are quoted in the press as pointing out that the present toxic substances are being dumped into normal landfill sites, which I presume is the Beare Road site, and those toxic substances are being put in. I presume we are now monitoring that site to see if we are picking up elements of it?

Hon. Mr. Kerr: Yes. We are monitoring enough to know that it should be closed down within the next 12 months.

Mr. Godfrey: You are going to have to do that to a lot of them, aren't you?

Hon. Mr. Kerr: Yes. I don't know what the motive is, but because of the objection to what we feel are safe disposal sites, probably the Rouge or the Don or some other area will be, in fact, the disposal site.

Mr. Godfrey: Goodness! Terrible! That leads me immediately to the Stouffville sanitary landfill site. I was delighted to see that you had pointed out in the letter you sent to me that you had been able to assure the people of Whitchurch-Stouffville that a sum of \$80,000 had been deposited to take care of possible faults with the drinking water

system up there as a result of possible contamination from the present industrial site. I was curious to know, is that the first time that has been done?

Hon. Mr. Kerr: As far as I am aware, this is the first time. I think in many cases there have been bonds. There has been a type of surety or bond that the operator has been required to file, but this is something over and beyond that.

Mr. Godfrey: This is an actual commercial letter of credit which is irrevocable?

Hon. Mr. Kerr: Yes. That's the first time that I am aware of of this ever being done.

Mr. Godfrey: I congratulate the minister on that. Will he now do that with all other landfill sites in the province?

Hon. Mr. Kerr: This is something that was part of the Environmental Hearing Board conditions of approval of that site. There were a number of conditions and one was this. Because of the concern expressed by many people who appeared at that hearing about adjoining wells, in order that there be a method of remedy without a great hassle over who is responsible for the costs of remedial effort or rehabilitation, they required this security. The decision is usually made by the Environmental Assessment Board but I would suggest that in those circumstances where there could very well be contamination of adjoining property and there is some question as to the absolute safety of that location, a condition like this could very well be part of the final decision.

Mr. Godfrey: I would congratulate you and certainly encourage that. I don't think \$80,000 is enough if there is real contamination. I'm sure you don't want to get back to the situation of the Gogama town tap, do you?

Hon. Mr. Kerr: No. Do you know there's a hydrant there now?

Mr. Godfrey: A hydrant instead of a tap? My God.

Hon. Mr. Kerr: I had a beautiful letter from one of the ladies up there, congratulating the Minister of the Environment. I should have it here. I showed it to Mr. Foulds—do you want me to read that?

Mr. Makarchuk: How do the dogs in town feel about it?

Mr. Gaunt: Aren't you glad you asked?

Mr. Godfrey: Yes, I'm delighted.

Hon. Mr. Kerr: This is from Mr. Gerard Violette, president of the Gogama Citizens and Recreation Association—

Mr. Wildman: They can open the hydrant for swimming in the summer.

Hon. Mr. Kerr: After months and months of trying, finally there's a hydrant.

Mr. Godfrey: I do not wish to disparage the citizens of Gogama but there's no way you're going to put in a hydrant or a tap in Stouffville when that water supply goes blooey. They ought to have a regular water supply.

Hon. Mr. Kerr: One thing the hon. member may not be aware of is that we have indicated, by way of letter to citizens' groups in Stouffville, that if the costs of correcting, of cleaning up, the contamination in the wells exceed the \$80,000, we would be responsible for the difference.

Mr. Godfrey: Who will be responsible?

Hon. Mr. Kerr: The ministry.

Mr. Godfrey: The money comes from your budget?

Hon. Mr. Kerr: Yes. Of course, we have absolute faith that it won't exceed that \$80,000.

Mr. Godfrey: I haven't noticed that you have budgeted too well in the last 10 years; however, I accept that as a statement of faith—not you, your government.

Could we move on to the PCBs for one minute? I know we've had an awful lot of this but I was concerned about the fact that PCB tests are being done on fish and that sort of thing. I wonder whether, inasmuch as this seems to be a matter of concern for so many people, the ministry would not be interested in assuring the populace as a whole that the PCB level is not rising and if it would immediately initiate suitable research into whether there is PCB in lactating mothers?

Hon. Mr. Kerr: We've written you on this—

Mr. Godfrey: Yes, you wrote to me and you said that 1973-74 was the last year in which you had done the test. Dr. Ronan is here and I think he would certainly agree with me that establishing a range of normal on 19 samples is very bad scientific technique.

Hon. Mr. Kerr: Who wants the pleasure of standing up and announcing that there are high PCB levels in milk?

Mr. Biggs: Mother's milk.

Hon. Mr. Kerr: Mother's milk; any of you fellows?

Mr. Godfrey: The trust may sometimes be painful and not very pleasant but I'd much rather hear it before I know the results.

Hon. Mr. Kerr: Seriously, as I say, we have made a report to you. We'll continue to monitor that as we are testing fish, analysing sewage sludge, working within water purification plants and concerned about the disposal of those materials from Hydro, for example, which may contain PCBs. This programme is ongoing and very broad.

Actually, we're the first ones. I don't think I'm saying anything that could be considered erroneous but I think that our ministry, with or without the assistance of the Ministry of Health, has been the first to reveal the situation as to PCBs, mercury and Mirex. I think we're now working on arsenic, as the result of a study; asbestos, of course, is also the type of compound we're concerned about.

As far as it concerns our fish sampling in the Great Lakes and in various parts of the province, the effluent from plants and water plants all I can say, to answer your question, is that we're not aware of any substantial increase in the PCB levels in the last six months, say. We had a report early this year that we were concerned about PCB levels in coho salmon in Lake Ontario—

Mr. Makarchuk: And Lake Erie.

Hon. Mr. Kerr: Yes. That has stabilized and, hopefully, by eliminating the source—and the source is, as you know, Monsanto—and by enforcing an ultimate ban on the use of any products containing PCBs those levels will start going down.

Mr. Godfrey: Thank you. I would point out that you really are not the first in PCBs, but I will not go into that any further. The Americans have done far more work than we have on humans, not on fish.

If we can move on to air pollution, I was very gratified to receive your notification of the number of infractions there had been which had exceeded the air pollution index. My question to you is, do we still do the index on two parameters, sulphur dioxide and total suspended particulates

Hon. Mr. Kerr: Yes. Our API index contains those two, is that correct?

Mr. Godfrey: Just those two.

Hon. Mr. Kerr: It contains those two, whether it's more or not, I don't know. Who can speak on that? Lou, would you like to explain that?

Mr. Shenfeld: Yes. Shenfeld, air resources branch. The API is based on the suspended particulate matter and sulphur dioxide. These are the two contaminants mainly contributed at the atmosphere by industry. This index is an alert system by which we control industries, so we purposely left out other contaminants emitted by automobiles and private people.

Mr. Godfrey: We don't follow the American lead of testing for the six, including nitrogen oxides and hydrocarbons?

Mr. Shenfeld: Oh yes, we have a monitoring system outside the API, testing for all the other contaminants.

Hon. Mr. Kerr: Let him explain that a little further, because that's much more extensive than the API.

Mr. Shenfeld: Oh yes, it is a much more extensive network of instrumentation associated with monitoring all the pollutants, other than just the API.

Mr. Godfrey: As I understand it, if the level goes above the index, your air pollution index, you then sound a warning or alert or whatever it is you do and something is done, but you do that on the basis of two parameters only.

Mr. Shenfeld: That is correct.

Mr. Godfrey: Supposing carbon monoxide is rising at an alarming rate, but you don't test that—

Mr. Shenfeld: Yes, we do.

Mr. Godfrey: No, you don't test that under your air pollution index.

Mr. Shenfeld: We monitor it and have that information to us on a real time basis, just as the air pollution index. This data is telemetered to our office as well as the index.

Mr. Godfrey: Supposing the level of carbon monoxide at Lawrence and Kennedy Road is at 8.3 parts per million, what do we do then?

Hon. Mr. Kerr: We would publish that. I don't know if you want to close that inter-section, because I think most of it is probably caused by vehicular traffic.

Mr. Godfrey: So you're not going to bring in fish and test them?

Hon. Mr. Kerr: No, no. We'll have you stand right at that corner.

Mr. Godfrey: I'm used to carbon monoxide.

Hon. Mr. Kerr: That's the story on whatever remedies are available. With the API, our remedy under our legislation is we cut back plants or we close plants.

Mr. Godfrey: Is there a consideration of expanding the air pollution index and the advisory levels and alert levels to include these others, or will you continue doing those on an individual basis?

Mr. Shenfeld: The air pollution index we have designed as an alert system to demand curtailment of emissions by industry, would be, I think, watered down by including such contaminants emitted by the automobile. In other words, it would actually make the index rather useless as far as industrial control, because they would just complain of the inclusion of other contaminants that they do not emit.

We do have a long-term programme of controlling emissions from automobiles, and the carbon monoxide levels are, as you know, going down year by year with the new technology and the older cars getting off the road. We do not have very many places where the carbon monoxide levels are exceeding our criterion, and it is a very stringent criterion. This is the reason we do not include these contaminants in the air pollution index.

[11:45]

As far as another index is concerned just to advise people what the air quality is, we are working with the federal government in designing such an index but that index would not be replacing the air pollution index. That would be more or less an air quality index rather than an air pollution index.

Mr. Godfrey: Thank you very much. I will be two minutes more, Mr. Chairman, if I could move on to the matter of noise pollution. Realizing that you have given model bylaws to various communities on how they can devise noise protection, I would ask what steps your ministry is taking to reduce noise pollution at Malton.

Hon. Mr. Kerr: That's a federal responsibility.

Mr. Godfrey: It happens to be Ontario ears it's landing on.

Hon. Mr. Kerr: I know, that's the problem, but that's really under the Ministry of Transport. Isn't that right?

Mr. Manuel: That's correct.

Mr. Godfrey: I realize the noise is generated by the aircraft which presumably are under federal jurisdiction but can you explain to me the intricacies of the legalistic process? Do the citizens of Mississauga have to go to the federal government to have noise reduced?

Hon. Mr. Kerr: That's right. The remedy, of course, is to deal with the cause of the noise which is aircraft. That is under federal jurisdiction. The airport itself, Malton, the location of runways and the whole business of the operation of that facility are under the jurisdiction of the federal government. All we can do is co-operate with the federal government, with Environment Canada, and hopefully the controls being placed on aircraft, particularly newer types of aircraft, will be adequate at an airport such as Malton with the amount of residential development which surrounds that airport.

Mr. Godfrey: It seems a little strange to me that we have two of the major pollutants in the country now, namely the Great Lakes pollution—but the Americans are doing that—and noise pollution—but the feds are doing that. I sometimes get a feeling of helplessness, working in this particular arena, as to the two major areas. I am sure the minister must share that feeling of helplessness with me. How much co-operation does he get? I am sure he forwards to the federal government numerous complaints with regard to noise around the area.

Hon. Mr. Kerr: I think Mr. Manuel might get to a microphone but I might say that I know that through co-operation with the municipality, with the province and with the Ministry of Transport, we have been able to have some effect on the scheduling of aircraft, for example, late night flights or early morning flights.

I can recall somebody—I think it was Mr. Gregory—calling me about the Maple Leafs being able to take off at 1 o'clock in the morning or something after a game here to fly to Detroit or somewhere. It was then I learned that there are restrictions about aircraft landing and taking off at certain times of the day.

We are working with them as far as the actual planes, the aircraft themselves, are concerned. Some of the newer and bigger planes, as the hon. member knows, are better

than our older smaller aircraft as far as noise is concerned. When they plan a new runway or flight path or things like that, we are involved in that. The actual control, the actual jurisdiction and legislation, is with the federal government so we have to work on a co-operative basis which we have been doing. Do you want to enlarge on that?

Mr. Manuel: John Manuel, noise section. Yes, we work very closely with the federal Ministry of Transport and particularly the superintendents of airways in the respective regions.

In the case of Malton airport, there is a ban on any new arrivals or scheduled departures between the hours of midnight and 7 a.m. However, any aircraft which is normally allowed to arrive after midnight and has been doing so in the past or if it has been delayed, is still allowed to come in at any hour of the night. The routine now is to try to switch use of runways as much as possible to eliminate aircraft, because of wind conditions, from continually using a runway for extended periods of time. It has now become mandatory for take-off procedures to be rotated every four hours. Similarly, with respect to landing they try to land west to east and in that way eliminate as much as possible coming in over Etobicoke or over Rexdale. This particularly applies for night-time hours.

Hon. Mr. Kerr: Or Brampton.

Mr. Godfrey: You have got to watch Brampton.

Mr. Cunningham: I just have one supplementary but I didn't want to interrupt the doctor's flow there. It is on the subject of the Environmental Assessment Board. I'm just wondering how many appointments are there on that board and what are the criteria for appointment to the Environmental Assessment Board?

Hon. Mr. Kerr: We have about 12 people, I believe, now on the Environmental Assessment Board. At least seven of those are people who were on the old Environmental Hearing Board. We did try to get people who have, if possible, some municipal experience. Usually, there are one or two women on the board. We have people who have a background in industry, and people from the legal profession and we have somebody from the medical profession. The idea is to get a cross-section of the community generally in background with some geographic representation.

Mr. Cunningham: Is Kelly Culin a member of the Environmental Assessment Board?

Hon. Mr. Kerr: Yes.

Mr. Cunningham: What are his qualifications apart from running a couple of unsuccessful Conservative campaigns?

Hon. Mr. Kerr: He was associated with the Hamilton-Wentworth Conservation Authority or the Hamilton Conservation Authority. You could say that he represents business. He's in the insurance business. He's a very intelligent person. It's obvious he's an intelligent person and he's the type of person that would be available for lengthy hearings in all parts of the province.

Mr. Cunningham: I rest my case.

Mr. Wildman: Is Aubrey Moodie a member?

Hon. Mr. Kerr: Yes, he's one of the gentlemen who were on the old Environmental Hearing Board. He was also of course a member of the Ontario Water Resources Commission at one time.

Vote 1902 agreed to.

On vote 1903, environmental control programme:

Mr. Cunningham: Several days ago the member for Brantford was very articulate in his discussion of some 500 gallons of some substance that made its way into the Grand River and, more recently, we've been hearing about some pollution from the private sector. I'd like to move on to the discussion of public sector pollution. I'm specifically referring now to the situation in Burlington, as you well know it. In fact, you're very familiar with Burlington Bay or Hamilton Harbour. You are one of the few people I know that's actually gone in for a dip. People of my political preference try to walk on the water, I know, but you have seen fit to honour your commitments. I must say at least that I admire your ability to live up to those particular obligations.

Hon. Mr. Kerr: And live.

Mr. Cunningham: And live at the same time. I don't know if people want to hang around you anymore but that's neither here nor there.

Last week on a radio station, call number CING—

Hon. Mr. Kerr: You're getting a commercial in now, are you?

Mr. Cunningham: I certainly am. It's a great new FM station in Burlington. You said you didn't think the flow of some 200 million gallons of raw sewage a day into Burlington Bay or Hamilton Harbour this summer had any great effect on the quality of the water in Hamilton Bay. I'm just wondering is that a reflection on your opinion of the quality of water of Hamilton Bay or Burlington Bay, having been in it? Or is that your personal assessment as to the importance of putting 200 million gallons of raw sewage into the bay?

Hon. Mr. Kerr: First of all, I might say we have since found out that two million gallons per day did not bypass the Skyway plant. What happened is that during the construction period, I suppose, a valve had opened up and the excess flow was really water from Hamilton Bay that was coming back through the plant and out into Hamilton Bay again. The problem just didn't exist, and I think it's important that that be straightened out.

As for my remarks regarding the effect of a bypass of this kind, I'm not sure what I said. What I probably said was, that because there is chlorination and because the effluent or sewage—we use the word “sewage” probably in quotes there—is mixed with the treated effluent, in many respects, because of the condition of the receiving water, I would compare it with storm water flow from a heavy industrial city, such as Hamilton. The effluent and flow and type of treated sewage that are going into that bay still contribute to the pollution of the bay. Until the city of Hamilton separates its sanitary sewers and its storm sewers and also the plants that exist in Dundas and until the plant in Burlington is completed, there is not the complete sophisticated degree of treatment that we would like to see and which we expect to see.

Mr. Cunningham: I wonder if you can elaborate on the cause of this valve situation that you describe.

Mr. Barr: On the plant, as there is in every plant, there is a bypass which is considered to be an emergency bypass. This is sewer which discharges into the Hamilton Bay or Burlington Bay, as you may call it. On the end of the pipe, there is a flat valve which is normally closed. This prevents the water from the bay from flowing back into the plant. It would only open at such time as the overflow occurred from the pumping station. When the level in the pumping station rose above a certain level, this would then flow over the weir or plate to flow out

through the pipe into the bay. This valve is normally submerged so that it's not easily accessible or easily visible to the eye.

At some time during the past several months, this valve apparently was broken which permitted it to spring open rather than stay in a closed position. This meant that the bay water would back up into the pipe, back up into the pump well and raise the level of combined bay water and sewage in the pump well which gave the operators an indication that the flow was actually flowing out the pipe, although in this case it was actually coming back in. When the valve was repaired, which prevented any bay water from returning into the pump well, the level in the pump well went drastically down, which is sort of normal and which represents a true sewage flow into the plant. This is in keeping with what the capacity of the plant could receive and it reduced the volume that apparently was in the pump well, which we anticipated was an overflow, but was not the case at all. Earlier reports that two million gallons was discharged every day because of this high level were erroneous. It was a misinterpretation by the operator because of the high level in the pump water, caused by the bay water coming back.

Mr. Cunningham: Is there no method of monitoring that?

Mr. Barr: As I say, this pipe which goes into the bay which is an emergency overflow type of pipe is normally in a submerged condition; so it is not readily accessible for sampling or even for examination.

Mr. Cunningham: Has some correction been made to see that doesn't happen again?

Mr. Barr: Yes. It's something that needs to be examined, though not on a regular basis or not a daily basis. It is something that doesn't happen very often; very seldom for that matter. It's not necessarily an act of God but a mechanical defect caused by ice during the winter months.

[12:00]

Mr. Cunningham: In your estimation, how long was this situation in existence? How long did this take place?

Hon. Mr. Kerr: The information we have, the records, indicate the excess or the bypass was approximately two million gallons. That was the time when that valve was open. One of the reasons we discovered was that my ministry officials weren't satisfied with the fact that the bypass started in late June—not in May when you have your freshet or April when you have heavy rains but in June,

in basically dry weather. This is the reason for it.

Mr. Cunningham: You're saying that this happened in June?

Hon. Mr. Kerr: It started in June.

Mr. Cunningham: Until when?

Hon. Mr. Kerr: For the most part until—when?—the latter part of October.

Mr. Cunningham: So the reports in the *Globe* and *Mail* are erroneous in saying it started in March?

Hon. Mr. Kerr: The main flow of two million gallons excess bypass on a continuous daily basis started in June. There was some in the spring but not on a continuous basis. It didn't start in March and continue to October, that's what I'm trying to say.

Mr. Cunningham: You're saying it happened from time to time?

Hon. Mr. Kerr: Yes.

Mr. Cunningham: How long were you aware of it, personally?

Hon. Mr. Kerr: I wasn't aware of the excess bypass until October.

Mr. Cunningham: What was the earliest, would you say, when people in your ministry would have been aware of it?

Hon. Mr. Kerr: They were aware of it from the records. There are daily records kept of flow, and they would know when it happened.

Mr. Cunningham: Have these records been available to the public?

Hon. Mr. Kerr: I suppose they are available if they want to have them. It's the same as having somebody's audited books available to the public.

Mr. Cunningham: Are you aware that Mrs. Betty Barhydt of Burlington was denied information on or access to this plant?

Hon. Mr. Kerr: No, she wasn't, as a matter of fact. Have we got that letter?

There's a letter from Mrs. McCaffrey, indicating that there was some misunderstanding of what this lady you're talking about wanted. I suppose, because somebody was putting her up to it, she wasn't sure what she wanted. In any event, when we found out, when we clarified that with our solicitors, we made the information available to her.

Mr. Cunningham: Let me move on to the discussion of the timing of this particular plant. When was this announcement made, that the OHAP grant would be forthcoming to assist the city of Burlington?

Hon. Mr. Kerr: The announcement about the \$6 million, the recent one?

Mr. Cunningham: I'm not aware—is it \$8 million, \$7.5 million, \$6 million? I've heard—

Hon. Mr. Kerr: There was an announcement by the Ministry of Housing in the last week or so regarding approximately \$6 million for the region of Halton, of which approximately \$1 million is going to Burlington.

This is for sewage systems—storm and sanitary sewage systems—and this is in addition to the \$8 million given in 1975 for the plant.

Mr. Cunningham: Would it be unfair to say that this—is it \$8 million?

Hon. Mr. Kerr: Eight million dollars for the plant, right. That was given by the Ministry of Housing in 1975.

Mr. Cunningham: That was under an OHAP grant?

Hon. Mr. Kerr: Right. That was for provision of OHAP housing as well as meeting the capacity requirements of that plant for the city.

Mr. Cunningham: Would it be unfair to say that grant would bring the city of Burlington up to only minimum standards at that time?

Hon. Mr. Kerr: When it's completed—the plant?

Mr. Cunningham: No, at the time of the grant.

Hon. Mr. Kerr: The grant was made in 1975 to build the plant which is going to be completed in 1977. Now, can you rephrase your question?

Mr. Cunningham: What I'm saying is would it be fair to say that in 1975 you were not up to minimum standards as it was and that—

Hon. Mr. Kerr: So far as I'm aware, the capacity of the plant in 1975 was sufficient to handle the flow generated in the city at that time but it would not allow for any more expansion. In other words, there had to be some stringent control of any expansion during the construction period of the plant.

Mr. Cunningham: You're saying expansion of what, housing?

Hon. Mr. Kerr: Yes, of development generally, of infill, what have you.

Mr. Cunningham: What did your ministry do to curtail that development?

Hon. Mr. Kerr: That is a local decision, that is under the Ministry of Housing plans administration branch. Our ministry is always appraised of any new subdivisions. We are not involved at the building permit stage by any means, but we're appraised of any new subdivisions to be approved, and we always comment on the situation in respect to those.

Mr. Cunningham: With the exception of the odd spring overflow then, would it be unfair to say that the plant, as it exists today, was capable of meeting the standards up to 1975 or 1976? There was no overflow?

Hon. Mr. Kerr: Do you want to comment on that, Paul?

Mr. Cockburn: Yes, to go back to maybe mid-1974, the plan by the region of Halton at that time was to expand the plant to 20 million gallons. Then, due to money restraints on the municipality—and I might point out that they do their own financing of this plant even if we do operate it for them—they put it into two stages which was going to take it from six to 12, and then 12 to 20, in those two parts.

The question of how much development could occur in Burlington came up over this period of time and we developed what we call a development plan, which correlates construction programmes in detail to the growth of the municipality. So as long as these two things are matched then we allow growth to continue, so that the plant when it is finished will have supposedly the equivalent flow. This has been done in Burlington.

To answer your question, at the end of 1975 they were in the construction phase and they were held up; they got the money from OHAP to continue with the programme so that conceivably the two forms, the plant expansion and the flow, should match continuously until that 20 million gallons is in place.

Mr. Cunningham: So you're saying that the situation was very copacetic up to that point in time?

Mr. Cockburn: Up to which point in time? It was a difficult problem until we worked out this programme.

Mr. Cunningham: I just bring here for the record, Mr. Kerr, your statements. You stated to the Globe and Mail on this subject that the plant should have gone six months earlier, but it was very expensive—\$8 million—and we couldn't get the funds when we wanted.

Hon. Mr. Kerr: No. I don't know if I am correctly quoted there. What I did say was it probably would have helped if the plant expansion was started six months earlier, and I, of course, was basing that on the fact that there was a two million gallon bypass per day. I was assuming that because there was a bypass of two million gallons of partially treated sewage it was a very obvious statement to say that if the plant was started six months earlier what happened may have been avoided.

There were pressures. There was no question there were growth pressures in Burlington, particularly from Housing and particularly as a result of criticism in the Legislature by the opposition parties that we weren't providing enough housing, multiple housing, low cost housing, OHAP housing. Burlington was prepared to do more than its share to provide that housing, where other communities in the area were not.

So because of the good planning and foresight in the city of Burlington, there was a situation where our treatment capacity was running pretty well neck and neck with our housing requirements. All I'm saying is that if the plant had been constructed six months earlier there wouldn't have been the pressures on the capacity of the existing plant that there were.

Mr. Makarchuk: Do they get funding from you?

Hon. Mr. Kerr: The plant?

Mr. Makarchuk: Yes, did Burlington get funding?

Hon. Mr. Kerr: Yes, \$8 million from Housing, for development.

Mr. Makarchuk: Do you extend the same privilege to Brantford?

Hon. Mr. Kerr: If you're going to build low cost housing, OHAP, multiple housing, see Mr. Rhodes.

Mr. Makarchuk: We have. He said, "See Mr. Kerr."

Hon. Mr. Kerr: No, he didn't.

Mr. Makarchuk: Yes, he did.

Mr. Cunningham: Mr. Minister, what I am concerned about is the relationship of your ministry to the Ministry of Housing, and I think that when these kinds of funds are being made available a better relationship should exist so that we don't see this kind of situation existing, whether it's in Cootes Paradise or in the bay that you say you would like to make swimmable. I can only say to you you are lucky you made your swim in September of 1975 and not somewhat later like the summer of this past year, or it might have been more unpleasant than it likely was.

We've had a number of people express some very sincere concerns about the way a town like Burlington should go. We have both been long-time residents of that place and I can only say to you with respect I think the growth that has gone on there hasn't had a great deal of relevance to proper planning.

Hon. Mr. Kerr: I don't agree with that.

Mr. Cunningham: You yourself, in the *Globe and Mail*, said—

Hon. Mr. Kerr: I disagree with that 100 per cent.

Mr. Cunningham: You said, "In the meantime, too many connections were being made from new housing," and that in a nutshell I think is probably—

Hon. Mr. Kerr: Again—and it sounds as if I am being misquoted—I am saying it would be apparent, and again that is tied in to the two million gallons per day bypass which did not, in fact, happen. These are all hypothetical suppositions that have really no relevance now because of the information as to the two million gallon bypass.

Mr. Cunningham: So you are saying that was wrong.

Hon. Mr. Kerr: It would appear that the town, in fact, did plan well and there weren't too many connections.

Mr. Cunningham: I am not going to pursue that in much more depth. All I can say is that you have said in the past, "The polluter must pay." Are you prepared to lay charges in this case?

Hon. Mr. Kerr: I just did lay a couple over the weekend. Do you want a couple more this weekend?

Mr. Cunningham: I'm talking about charges on this.

Hon. Mr. Kerr: On what?

Mr. Cunningham: This here—the public sector has again polluted Burlington Bay.

Hon. Mr. Kerr: In what way?

Mr. Cunningham: Putting millions of gallons of partially treated sewage into the Bay.

Hon. Mr. Kerr: You are obviously hard of hearing, and I am not going to repeat myself. You can read in *Hansard* what I've said.

Mr. Cunningham: I guess I will have to. I would like to move on to the status of the Dundas sewage treatment plant. Where is that now?

Hon. Mr. Kerr: This is a regional plant. It was built by the region of Hamilton-Wentworth. The Environmental Assessment Board, as you know, has approved the proposal by the region to enlarge the capacity of that plant from two million gallons per day to four million gallons per day. The board's approval stipulated that tertiary treatment must be added as part of the plant expansion; and also we have a ministry study of Cootes Paradise, which has set loading limits that the Dundas sewage treatment plant must meet.

I am assuming the engineering is completed here, the design is completed, preliminary approval was issued by us on October 8, based on effluent quality and population growth based on the capacity of the new plant and the fact that it is tertiary treatment. I don't think that a tender has been let for that plant. I don't think it has been tendered as yet.

Mr. Cunningham: You'll recall, I am sure, on that file that that particular plant has been expanded four or five times in the past. Usually I guess the situation has been that the expansion didn't meet the requirements necessary and either as soon as it was opened or shortly thereafter the plant has become somewhat obsolete. I am just wondering, will the four million gallon capacity you speak of accommodate the growth plans that I am sure are on the books for that particular area?

Hon. Mr. Kerr: I really don't know what the future holds for Dundas or what plans the city has or the town has either by way of planning or the council. This doubles the capacity of the plant. The population there is what—15,000 to 20,000 people?

Mr. Cunningham: Twenty thousand.

[12:15]

Hon. Mr. Kerr: Is it fair to say that means the population can be doubled when we double the capacity? I think the answer is no.

Mr. Macfarlane: The population increase is tied to the quality of the effluent in the plant. This is the regulation which has been put upon and accepted by the regional municipality of Hamilton-Wentworth.

Mr. Cunningham: If I understand you correctly, we are going to start relating planning to sewage treatment plants. That area, that town, is not going to grow beyond what that plant is capable of at this time?

Mr. Macfarlane: More particularly to the quality of Cootes Paradise which in turn is dependent, at least in part, on the quality of the effluent discharged from the sewage treatment plant.

Mr. Cunningham: Very good. I commend you for that because I—

Hon. Mr. Kerr: I think the point Mr. Macfarlane is making is that you have something unique here. This is not, shall we say, your average sewage treatment plant or your average area. You've got a very sensitive area which is of concern to you, I know, and to the Royal Botanical Gardens and the conservation authority and many environmentalists in that area. It's not as if you had a normal plant in a normal community. The degree of treatment has to take into consideration Spencer Creek and Cootes Paradise and other sensitive areas of that kind.

Mr. Cunningham: I have no further questions on that particular item.

This week your executive assistant provided me with some information on Pollution Abatement Incentive Act grants to Reed Paper Limited and subsidiaries. I have here, I guess, the figures for the Dryden Chemical Company and/or Dryden Paper, which I assume to be basically the same outfit. From 1970 to the present time we have had a total of \$18,957 worth of grants.

The interesting thing I noted in this was that, basically since 1973, there has been very little funding to them. The total in 1973-74 was \$317 and there has been nothing since that time. I am wondering, given the peculiar problems occurring there at this time, what's the rationale for the lack of interest by way of grants to these particular companies?

Hon. Mr. Kerr: I might say that what you have here is what has been paid by the government based on The Pollution Abatement Incentive Act. Mr. Caplice might explain this but it is my understanding that the company

—any company—automatically would qualify if it met the criteria of the legislation. That is why the figures vary from \$2,341.6 to \$317.12. It is not a matter of an assessment by us. It is a matter that they qualify for a certain amount under our legislation. Is that correct?

Mr. Caplice: That's correct.

Hon. Mr. Kerr: We have really no jurisdiction over what amount they get but I might say there are applications pending from the company for last year and this year. It's a matter of final approval—I suppose checking the books—and payment of a cheque which amounts to a total of \$61,048.5. There is \$6,077.87 for the 1975-76 fiscal year; and two cheques for the current year, one of \$20,130.22 and the other of \$34,839.96.

It's classified as a pending total of \$61,048.05.

Mr. Cunningham: I commend you for providing the money. I can only say to you, without being too provocative, that it's indicative of your finally having come to appreciate how sad a story there is there.

Yesterday I touched very briefly on the subject of Currie Products Limited and their problems. While we're on that topic, the same owner also owns the St. Lawrence Resin company of Cayuga, where there also have been some complaints by neighbours on a continuing basis about the quality of air.

I was just wondering if the ministry is at the stage now where they would possibly force the use of electrostatic precipitators or something to assist the people in the area from having to breathe in naphthalene and coal tar pitch fumes and so on. Are there some loans also available to assist these people? Is there something that can be done?

Hon. Mr. Kerr: These plants, as the hon. member says, have been a continuous problem. I suppose it's because of the very nature of the industry, which is involved with roofing products. The company distils coal tar for sale and for process users; it also saturates roofing material with asphalt and coal tar. This, in itself, is bound to cause problems and to require a substantial investment in pollution control equipment.

For example, we have fined the plant in Hamilton—on Sheaffe Street, is it?

Mr. Cunningham: At 87 Sheaffe Street.

Hon. Mr. Kerr: They have been fined on two different occasions. We have had convictions—

Mr. Cunningham: What were the penalties?

Hon. Mr. Kerr: They were \$500 in 1974 and \$500 in 1975. That must be—

Mr. Cunningham: We're about due for another \$500.

Hon. Mr. Kerr: What legislation would that be under? Who's able to tell me what legislation that is under? Colin? We now have a maximum fine of \$5,000 in The Environmental Protection Act. Did we proceed under that Act?

Mr. Macfarlane: In this case it was under The Environmental Protection Act.

Hon. Mr. Kerr: It's a matter of the courts recognizing the seriousness of these infractions and violations. Where you have a maximum fine that's 10 times as much as the actual fine, you sometimes wonder whether the court really appreciates the seriousness here. I don't know how we presented our case or what the story was as revealed in the court, but sometimes I think we should consider appealing these fines, as we did in the situation in Sudbury.

Regarding the plant in Hamilton, I see the company has agreed to install a scrubber to control odours and naphthalene particulate. The equipment is on site, but application for certificate of approval has not been submitted. Does that mean the equipment is lying there in the carton or something, and they haven't installed it yet?

Mr. Macfarlane: The equipment was installed within the last few days and is being tuned to its efficiency.

Hon. Mr. Kerr: The St. Lawrence plant in Cayuga, as the hon. member has indicated, has the same ownership. We've also prosecuted that particular plant. The company is attempting to meet our control order. I think it's fair to say that the company is co-operating with us. They sometimes question whether the technology is available to solve the problems that are created by a plant of this kind, particularly when you're manufacturing hydrocarbon resins. The company has installed a scrubber this year. We've got a very active lawyer-physician in Cayuga who will be very—

Mr. Cunningham: I understand he's a Liberal.

Hon. Mr. Kerr: Now, yes.

Mr. Cunningham: He always has been.

Hon. Mr. Kerr: No.

Mr. Cunningham: He's a doctor and a lawyer.

Hon. Mr. Kerr: No, no.

Mr. Cunningham: He's a very clever guy.

Hon. Mr. Kerr: He ran for the nomination against Jim Allan one time. He didn't make it, and he crossed the floor.

Mr. Makarchuk: Right.

Mr. Cunningham: That's good. We're going to put him in our cabinet. A doctor and a lawyer. What a Minister of the Environment he'd make.

Hon. Mr. Kerr: Also, didn't he have some problems himself that we had to straighten away about 1971? It was a little sewage, but that's by the way.

Anyway, there are now two prosecutions proceeding to the courts in respect to this plant and control orders also are being prepared, and hopefully we will get to a point where we can satisfy the most severe critics in Cayuga.

Mr. Cunningham: On the subject of Currie Products, they are not the only ones involved in the distillation of tar in the manufacture of roofing materials. We have got CGC, Johns-Manville, and other companies involved in this. Are their records as bad as this particular company?

Hon. Mr. Kerr: I don't know. Colin, you may want to comment on this. Are these old plants or is it the very nature of the plants, is it the type of manufacturing that is carried on here, or are you aware of any similar plants in Ontario that don't have the same problem?

Mr. Macfarlane: I think all of them have the same problem to some degree or another, although I think Currie Products in Hamilton has provoked more complaints because of the land use in the area than others.

Mr. Cunningham: My final question relates again to this company. As a non-smoker I can't quite appreciate the problems with tar and nicotine, but I understand as a layman that breathing of tar and tar fumes is potentially very dangerous to your health, and given asbestos fibre as well and given the high incidence of the use of both of those substances in that area, has the ministry ever undertaken any study of the residents in the area, or more appropriately the people who

work there, to see if there has been any adverse effect on their personal health?

Hon. Mr. Kerr: That would be the responsibility of the Ministry of Health, wouldn't it—particularly the in-house effect that this may have on the employees in the plant? That now goes to the Ministry of Labour. I don't know if anybody knows if there are any statistics on that. Does Dr. Muller have any information on that?

Dr. Muller: Muller, Ministry of Health. A study has been done on lung cancer rates in the Hamilton area and it was not possible to prove that there is any pollution-related increase of lung cancer rates. There are some differences in different areas that do not well fit the pattern of air pollution concentrations and it is most likely that other factors played a significant role here.

Mr. Cunningham: Could I have a copy of that, if it wouldn't be too much trouble?

Dr. Muller: Yes, I think we can provide it.

Mr. Cunningham: I would appreciate it. That's all the questions I have.

Mr. Chairman: Are you finished, Mr. Cunningham?

Mr. Cunningham: Yes, I am.

Mr. Chairman: It is now 12.30. The committee will sit again at 2, and we have Mr. McCague and Mr. Makarchuk to begin.

Mr. Gaunt: Just on a point of order, Mr. Chairman, I asked the other day for some information and I haven't got it yet.

Hon. Mr. Kerr: On Whitchurch-Stouffville?

Mr. Gaunt: You haven't got that available?

Hon. Mr. Kerr: We gave it to you yesterday.

Mr. Gaunt: I don't see it here. Somebody has been going through my files.

Hon. Mr. Kerr: Probably Godfrey. Here is a copy for you.

The committee recessed at 12:30 p.m.

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Biggs, E., Deputy Minister

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Fry, J. G., Manager, Industrial Abatement, Northeastern Region, Regional Operations and Laboratories Division

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Ministry of Health official taking part:

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SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
THE ENVIRONMENT

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, December 1, 1976

Afternoon Session



Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

WEDNESDAY, DECEMBER 1, 1976

The committee resumed at 2:03 p.m.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (concluded)

On vote 1903, environmental control programme:

Mr. McCague: Mr. Minister, you have a letter before you from a constituent who missed the date for paying the sewer installation charge. He makes a couple of comments in his correspondence. One is that he forgot about it for a short time, but didn't have the money saved up until about a month ago and then wrote you wondering how much he owed. Apparently, the answer is that you cannot pay off these charges at any time during the 40 years but that you have to pay the amount assessed each year for the 40. I am wondering why it has to be that way.

Hon. Mr. Kerr: It would appear that the man in question, a Mr. Wilson, was sent a notification from the township of Essa at the time installation of sanitary sewers was under way. He didn't pay the charges at that time because he felt he should wait until the system was completed. The date apparently for prepayment was about October 1.

Apparently, the arrangement is if you don't make the payment, on notification of that kind, when it is due, then the charges are amortized over a 40-year period and you pay annually. I would assume from that that a person would have made a choice.

In other words, he couldn't pay the substantial installation costs at one time, so it's assumed by the municipality he would be put on a time-payment arrangement as provided by the municipality in works of this kind. Now he has the money and he wants to pay the total amount rather than bothering with the carrying charges and making annual payments.

Mr. Wilson has a letter from us dated Nov. 16. It really doesn't make sense that when a person comes along a few weeks late

and then attempts to pay what was due at an earlier date that he is not able to do so.

I am sure it must upset some arrangement made between the ministry and the municipality. I suppose, from the point of view of information, the ministry probably wants to know what the carrying charges will be and what will be the record as far as prepayment is concerned. These are bookkeeping arrangements.

I can see that it would be a difficult task to handle a number of total payments in dribs and drabs. In other words, if you had 50 or 100 people who, over a period of a year say, after the works were installed and completed said, "We want to pay the whole thing," this may be difficult for the municipality, in arranging its financing, for the information and accounting of the ministry and in arriving at the total figure which the government must receive as a result of the loan arrangements with that municipality and all that sort of thing.

It would seem to me there must be some way whereby we can accommodate this man in spite of the fact that changing the procedure generally would result in sort of a bookkeeping nightmare, if you know what I mean.

Mr. McCague: Okay, I can understand that.

Hon. Mr. Kerr: I will certainly look into it and see if we can help Mr. Wilson, because the time factor here is very short. He was required to make the payment in October. He probably attempted to pay up four or five weeks later. Whether we can arrange some sort of settlement for Mr. Wilson I'll look into and get back to you.

Mr. McCague: Thank you. The problem being as you explained it, I wonder if it mightn't be a thought to consider opening those things up every five years or so for people who might want to prepay. I don't know how big a nightmare that might be but it seems to me your ministry is always short of money and if you can get back some of that which is lent it might help you.

A couple of municipalities have been asking you about sewers; Creemore is one. You may not have the correspondence there but I want to read this one sentence to you, "I regret to have to inform you that the combination of insufficiently high priority rating for the proposed works and Ontario government funding restraints means that our ministry cannot undertake to carry out these works as a ministry project."

That would look like a fairly dead project. How dead is a project when you make that statement?

Hon. Mr. Kerr: There is always a certain amount of flexibility. What is the project—is that sewers or water?

Mr. McCague: Sewers.

Hon. Mr. Kerr: Is it on any list we have? Do you know the cost of the project off-hand?

Mr. Sharpe: I don't think we have had a request officially for this, have we?

Mr. Mierzynski: Not to my knowledge.

Mr. McCague: You do.

Mr. Mierzynski: We do have a request for a water project which was received yesterday. It was received only yesterday—the resolution of council was received yesterday. There was a request for a project a number of years ago but it is not current to my knowledge.

Hon. Mr. Kerr: What's the date of that letter you read?

Mr. McCague: February 16, 1976. It says, "Your municipality's request to our ministry."

Hon. Mr. Kerr: Have you a project number?

Mr. McCague: No. My main question is—with a statement like that in a letter when need a municipality like that apply? I guess when they are in drastic need?

Hon. Mr. Kerr: I think the situation has been basically that a municipality will apply for a project, whether it's water or sewers, a certain assessment of the situation in that community is made, there is a decision as to whether to clean up existing problems such as well contamination or septic system overflows. Whether it's a matter of accommodating growth, development. Sometimes an MBR rating is applied to the project. If it's low and if we know that because of financial constraints and because of existing commitments a letter of that kind would go out,

expecting a reaction from the municipality, then this appraisal will be made and if the project is approved then you get into design and financing, the costs, engineering, even then, before there is an agreement with the ministry, there is no assurance that it's going to go ahead on a particular date. In the last year or so we've been dealing with the rather urgent areas where they have a high MBR rating and to try and accommodate those areas.

I think that letter shouldn't completely discourage Creemore. I think they should follow it up with the region—that would be central region, in your area—and give them another little prod.

Mr. McCague: Thank you, Mr. Minister. On the Angus sewers, you had a different kind of letter for them, one that gave some encouragement in 1977 and 1978.

Hon. Mr. Kerr: This is the township of Essa?

Mr. McCague: Right.

Hon. Mr. Kerr: Yes, at the present time the design is under way. Test drilling has been completed. We're awaiting the results. The MBR rating is fairly high on this. It is a water supply and distribution facility. It is quite possible that this would go ahead in the next fiscal year.

Mr. McCague: Thank you. One short question: Beeton water?

Hon. Mr. Kerr: That's a problem there, isn't it? Apparently the problem here has been these wells. Some of the biological contents in some of the wells have caused some concern in that area. The presence of high ammonia, iron and manganese levels resists chlorine treatment. I'm told now that the problem has been solved by the treatment facilities that have been installed. Is that right, Mr. Barr?

Mr. Barr: Yes, one of the questions of the councillors when they met last with the minister was a report on our work, which has been ongoing for a number of years now. I guess it's known to them, and probably to yourself, Mr. McCague, as one of the most difficult waters to treat in Ontario, because of all kinds of chemical characteristics and interference between each other in the various treatment processes which have been tried. The report has just gone to council now.

Mr. McCague: As of what date do you know?

Mr. Barr: About a week ago, a week to 10 days ago.

Mr. McCague: It didn't get there in time for their all candidates meeting I don't think. [2:15]

Mr. Barr: It may not have. It summarized and set out the procedures which we're confident, if they follow, can supply adequate water on a consistent basis. There is still some further work being continued by our people. The main thing there is to maintain some consistency in the quality of water.

We've had a number of interferences with reactions between the various treatment processes and the chemical characteristics of the water, but we feel now, with a fair bit of success in the operation and the chemicals being recommended, that we can maintain a much improved quality of water consistently.

Mr. McCague: I don't think that is evident to the people now. I think you can probably understand their frustrations. I grant you, if they turn on their 125-gallon per minute pump they have some problems, whereas the smaller ones aren't so bad.

It seems to me they've been bouncing from pillar to post over the past year. As soon as you feel you get the water cleaned up, then you say that the mains are dirty. They flush the mains and by the time they get the mains flushed, then the water is dirty again. They've been going around in circles, and I would have to say they've been very patient in the past year.

What they are getting out of their taps basically is mud. Nobody in the town, I don't think, is washing their own clothes, unless they happen to be a rusty colour, without some kind of treatment in their homes. In fact most of them are going to other places to do their wash. I don't think there is an unstained sink or tub in the town.

I just hope that you're correct when you say you think you have the problem corrected. The resources of the town are pretty well done and I think the ministry is going to have to consider taking it over if it isn't corrected very shortly.

Mr. Barr: Yes. I think there is a request, just received, from the municipality asking us to take over the waterworks.

Mr. McCague: Are you approving any subdivisions where the sewage system is not in yet and where the subdivider agrees to pre-service it, the lot being 15,000 square feet with septic tank, and then cut in half when the services come?

Hon. Mr. Kerr: Yes, I think we're doing it up in Kapuskasing where we are under way with a treatment facility. I think it's a lagoon. We've allowed some partial subdivision to go ahead and have approved some of the lots in the proposed plan with the condition there not be a building permit issued and/or the house occupied and connected to the system until the expansion is completed.

This is a difficult thing to do. We have a hard time monitoring that sort of situation, because once the plan is approved we don't have that much involvement in the subdivision. We have done that when there is an obvious need for housing and an obvious need for some growth, where the subdivider has waited an unreasonable length of time and where we have been the cause of the hold-up because of lack of funds available to the municipality to complete the works.

In that case, we have tried to accommodate subdividers and the municipality while at the same time making sure that the partial subdivision does not come on stream prior to the completion of the expansion so that it would exceed the capacity of the existing works to the effect that untreated sewage would be into the receiving waters.

Mr. McCague: Would you agree that the people talking about Aquarobic systems seem to emphasize that these work on much smaller lots than a septic tank, when in fact many of the health units are asking for the same amount of tile bed for Aquarobic as they are for the customary system. Their explanation, and it seems to make sense, is that you still have to deal with the same amount of water; it seems to me that there's something misleading about what we hear about the Aquarobic systems.

Hon. Mr. Kerr: I'm going to be very frank with you. I've got a running battle going on with officials in my ministry about Aquarobic. I think there's too much negativism associated with this particular type of treatment. I think we should encourage it more. I agree, from my own layman's eye, it would seem that where you have a self-contained treatment facility, you don't necessarily need the same size lot as you would for a septic system.

After all, Aquarobic is for a particular situation and usually it involves an area where a communal system is too expensive in the long term and septic systems aren't necessarily appropriate. If the requirements are the same, really there is no choice.

I'm going to let Mr. Barr or Mr. Sharpe comment on that. In the meantime, I might say that in the last year we have approved 700 Aquarobic units. It's improving, no ques-

tion, and the use is expanding. The cost is high.

I think one of the things my people worry about, and to me it's a legitimate concern, is that the people realize that it is a costly installation. We're talking about \$3,500, roughly, for this system. It's a big investment for any homeowner, and there are annual inspection charges or maintenance charges of about \$100. In the event that, at some point say within three or four years, the municipality decides on a communal system, which would be rather expensive and for which that homeowner may also be charged, I suppose we feel we have some responsibility to make sure that the homeowner realizes what he's getting into and knows the whole picture. On that basis, then, he can go ahead.

Basically we are in favour of this. It means, in many cases, that we can prolong a heavy investment on behalf of the province in an area and the main thing is that it's treating sewage properly rather than an inadequate septic system or holding tank or something of that kind.

Do you want to comment further on that?

Mr. Barr: There's just one slight correction, for the record. The 700 units you've just quoted are for the—

Hon. Mr. Kerr: Two years, I'm sorry.

Mr. Barr: —two years, 1975 and 1976, projected by the company.

I think maybe it should be shown in the record that the septic tank regulation which controls the installation whether it is of conventional systems or Aquarobic or these proprietary systems, does not set out lot sizes. The dimensions are from wells, buildings, property lines and so on.

In the field, we look somewhat differently at the existing lot; which may have a building on it or may not, it may be vacant. The Aquarobic systems occupy less space in terms of dimensions; the unit, particularly the filter bed, is much smaller than in the conventional system.

We look upon the installation of those types of systems for smaller lots in a much different way from how we look at a new plan of subdivision where there may be many choices, other than being specific about a proprietary or Aquarobic type of installation.

In the new subdivisions you may find the planning people in particular, and the health unit people who approve these systems, look upon a new subdivision with a larger lot as being capable of supporting a conventional system which, in terms of the cost, is some-

what cheaper in some areas. The purchaser of that lot then has a choice, rather than reducing the size of the lot, which makes it only suitable for an Aquarobic; but then there's no choice to the subsequent purchaser. We and the field people look at an existing lot versus a new lot in a different frame.

Mr. McCague: What I have run into a couple of times is an undersized lot where the requirements for tile bed were the same for both the septic tank and for the Aquarobic system. If they are right in that, I think a lot of what is being said about Aquarobic is misleading.

Mr. Barr: The other thing that is also looked upon is that on a smaller-sized lot, if there is a failure of either the conventional system or the Aquarobic, what we have then is the problem of replacement. Normally it's the filter bed rather than the unit itself that should be replaced, not in the same location but adjacent. If the lot becomes smaller, this becomes a very difficult situation to correct in the future.

Mr. McCague: You must have had a press conference with the people of my riding because they talk just the same way. I am sorry to hear that.

Hon. Mr. Kerr: You mean your medical officer of health?

Mr. McCague: Yes. Anyway, after all that bad news, I would like to thank you and report to you that every house in Alliston with the exception of three on a private lane has sewers available. On behalf of them, I would like to thank you.

Hon. Mr. Kerr: Bang your table.

Mr. Chairman: Mr. Makarchuk.

Hon. Mr. Kerr: What good news have you got for me?

Mr. Makarchuk: A whole pile here. I think we will start with your treatment projects on the Grand River. Remember again that's one of our favourite rivers. Could you at this time give some indication when, not necessarily the Brantford area but the communities upstream, will be more or less treating most of their sewage that is currently being dumped into the Grand?

Hon. Mr. Kerr: Can you name some specific communities?

Mr. Makarchuk: You have a list. I didn't bring down my computer print-outs which

list the ones where there is some fecal and BODs and so on being dumped, in Guelph, Elmira and so on. Is there any kind of a programme at this time to ensure there is at least secondary treatment in all the communities on the Grand?

Hon. Mr. Kerr: The people here are whispering that we have.

Mr. Makarchuk: That's what I like to hear. I just want to know when it's going to come to full fruition.

Hon. Mr. Kerr: As the hon. member knows, between the Grand River Conservation Authority and our own studies we are continuously monitoring the quality of the water in the Grand River.

Mr. Makarchuk: Not the GRCA, they are not doing it. In fact they shy away from doing anything with the water quality.

Hon. Mr. Kerr: Some of the work has been done, I think, with MNR; and MNR is probably doing it. When there is an application for some sort of a structure, a dam or what have you, this is always part of the consideration, part of the study and planning of any new structure of that kind.

Mr. Makarchuk: The direction between the MNR and GRCA is okay. If we build dams, we will have more water to dilute the sludge. That is the operating philosophy in that area. What I am trying to find out from you is that instead of building dams to hold back water so that we can augment the flow in low flow periods, what is being done in terms of ensuring that the stuff that is dumped into the river has been treated properly?

Hon. Mr. Kerr: In all these municipalities there is some kind of treatment facility or treatment plant now, whether it is primary or secondary or tertiary. There is continuous sampling going on. The effluent from the community or through that plant is measured. If the effluent deteriorates to the point that it's a problem, if the capacity of that plant is not sufficient to handle the community or any growth in that community, then that is made known. The municipality then is told that certain corrective measures have to be taken. Then we get into the question of a provincial project or a municipal-provincial project and the financing, design and construction of that.

[2:30]

Mr. Makarchuk: I understand the procedure you are talking about. It's unfortunate that I

haven't got my print-outs to give you the exact communities that are dumping stuff in, but somewhere in your department your officials have said that you are working on some programme to try and eliminate the pollution of the Grand to a certain extent. The first question is, what sewage treatment plant plans have you got on stream for development along the river? The second thing is, of course, that you have got things like storm sewers that are being used as sanitary sewers and so on that flow into the river. I think the city of Guelph is a major contributor in that department.

Hon. Mr. Kerr: We have got Brantford township, I see, that—

Mr. Makarchuk: They are not doing anything.

Hon. Mr. Kerr: For the next fiscal year, a project is starting there. You say Guelph has a problem with storm sewers?

Mr. Makarchuk: Right.

Hon. Mr. Kerr: Do you know anything about that, Colin?

Mr. Macfarlane: Guelph is in the middle right now of developing a new technique of treating water from the community. It is a process known as nitrification, which holds out a great promise of treating water relatively cheaply as an extension to their present secondary plant. Kitchener is in the middle of an expansion right now of their plant, so that its capacity to treat water is really much improved. Waterloo is on the brink of expansion. The Elmira plant has been unloaded to some extent by improvements in the Uniroyal plant.

Mr. Makarchuk: That was one of the major polluters there.

Mr. Macfarlane: Yes, Uniroyal has, since last spring, put in carbon column filters to remove a great deal of its contribution of contamination to the Canagagigue Creek, so it has removed some of the loading which it applied to the Elmira plant in the past so that more is available now for municipal expansion. It might be as well if we detailed some of these to you separately town by town.

Mr. Makarchuk: Do you have at this time some target date when you would be able to say that 95 or 98 per cent of the sewage in the area upstream, or the sewage in the Grand River drainage area, is being treated? Can you give that kind of a commitment by some year?

Mr. Macfarlane: Yes, I think in the context in which the question is posed, the year that is going through my mind at the moment is about 1980-83, that sort of period.

Hon. Mr. Kerr: We have some commitments with the International Joint Commission on all the streams and tributaries and those areas flowing into Lake Erie, for example, and that's one of the reasons why we have got the Grand River study that is going on at the present time.

Mr. Makarchuk: I am sure, Mr. Minister, you are aware of the Montrose dam argument that's developing in the area. One of the reasons for the dam, besides flood control, is that it will be used for water augmentation; in other words, both for dilution of sewage and also for—well, when it is diluted then it will be easier to treat for the communities like Brantford which takes the water out of the river downstream, and there is a great deal of resistance on the part of the people living in the area towards the dam.

If you concentrated it, it may be something that you have to look at very seriously. If you compare the costs of ensuring proper sewage treatment as a result of which you are not that concerned about flow augmentation, that the water that is flowing is relatively clean and therefore could be treated relatively easily, then you may not have to go ahead with the dam. This is why I suggest that perhaps some upgrading of the priorities for the sewage treatment plants along there, aside from the environmentalist arguments, would make good economic sense.

Hon. Mr. Kerr: The only thing is, I think this is usually part of a package. Where you build a dam, as you say, and it involves flood control and water augmentation, this assists in the treatment and dilution of the effluent that comes from a very busy waterway.

I know the answer would be to have highly sophisticated, modern tertiary treatment plants in every community along that waterway, with phosphate removal and the latest of everything. But that's difficult to do in every community. It takes time. It may be that a total programme could involve the type of water augmentation that the Montrose may contribute, as well as the needs that the authority feel are necessary in respect to controlling soil erosion, flooding and that sort of thing. There is maybe even some recreation involved in there; I don't know.

Mr. Makarchuk: I think that is a major point; there is a great deal of concern about recreation. The river runs through a highly

industrialized area, with probably close to a million people living either adjacent to or fairly near to the river. It could be used for recreation. The fact that you can thin out the crud by releasing water from behind a dam is not improving the recreational facility—

Hon. Mr. Kerr: That crud—

Mr. Makarchuk: Basically what they want is to have that water in a condition that you could use it for recreational purposes. That would be the ideal situation. That was the promise you made a few years ago and, of course, we're still being promised this thing. Certainly, though, it would be the ideal situation up there.

If we sat down and examined the costs of putting the proper treatment plants as opposed to the cost of people having to drive miles to other areas of recreation and related that to the local recreational industry it could generate—the idea of boating up the Grand and so on—I think we'd probably find it's not that expensive. It would be nice to have in Ontario one stream where you've turned back the tide of pollution.

The other matter of concern relates to Brantford township, where there seems to be some confusion at this time. When they signed a contract with the city of Brantford for Brantford to treat their sewage, the township was going to pay the city something like \$6,000 every three months for use of the sewage treatment plant. I understand now—at least this is the information I have, and I stand to be corrected—that this money is actually paid by the province; it's not being paid by Brantford township. Could you clarify that for me?

Hon. Mr. Kerr: I can get that information, but I would assume that this is a provincial project that is subsidized by us and amortized over a period of time and paid back—

Mr. Makarchuk: No, I'm sorry. This is different. You are paying a certain amount for the local sewers; I think it's more than \$1 million in total funding. But are you paying them \$6,000 every three months, which they in turn transfer to the city of Brantford for the use of the city of Brantford sewage treatment plant?

Hon. Mr. Kerr: I wouldn't think so. If we are operating the plant, then we would be, yes. If the township is operating the plant, then they would pay that. But you must remember that any moneys we pay are tied up in our financing arrangement with the townships. If the cost of this project is around

\$900,000, which it is, I would assume that roughly 25 per cent of that is borne by the ratepayers within that municipality. We are subsidizing the difference. Twenty five per cent is paid off over a period of time. That money you are talking about, the \$6,000, would be included in the overall operating cost of this project and the financing would be arranged accordingly; isn't that correct?

Do you want to elaborate on that?

Mr. Mierzynski: This is a municipal-type project versus a provincial-type project, the difference being that this is a mortgage arrangement rather than a utility provision we have entered into here. We do not operate the facilities. These are local sewers which are under construction with the treatment being in the town of Brantford. I believe the figures you have quoted or the principle you have explained would be different because this is a municipal type—it's a mortgage arrangement rather than a utility arrangement.

Hon. Mr. Kerr: Are we paying the \$6,000?

Mr. Mierzynski: I don't believe so.

Hon. Mr. Kerr: That's the crux of the whole question here. The answer is either yes or no. I was saying we would be paying it under certain circumstances but if it's a municipal project, as you are saying, we certainly shouldn't be paying the \$6,000.

Mr. Makarchuk: This is it. This is the understanding. When the city of Brantford entered into negotiations with the township to provide sewage treatment for them, the understanding was that they would be paying a certain amount of the cost of the operation of the sewage treatment plant. There seems to be some information that that's not the case and actually the province is paying this thing.

What grates on us in Brantford is that you have refused to give us the 15 per cent funding for an extension to our sewage treatment plant. Here, in the other situation, you are giving them \$6,000 when the local taxpayer, who should be carrying some of this load, is not carrying anything.

Hon. Mr. Kerr: I see here a note regarding this development, dated September 28:

"By the minister's approval, stage 3 construction is financed by the township and will be reimbursed by our ministry when funds become available."

Mr. Mierzynski: The arrangements with the township, as far as the agreements are concerned, are for capital works only and not

for operation. That's the first part of the question that was asked earlier.

Hon. Mr. Kerr: I'm sorry; I didn't hear that.

Mr. Mierzynski: As a point of clarification with respect to the agreement between the ministry and the township, the agreement is for the capital cost only and not for the operation of the works. The operation agreement is between the township and the city.

Hon. Mr. Kerr: What is our involvement in the capital cost?

Mr. Mierzynski: It's on a reimbursement basis. It's 30-year financing under the municipal scheme rather than 40-year financing, as I was trying to explain before.

Mr. Makarchuk: Can I just clarify what you are saying? You are going to reimburse it for the sewers but you are not paying the township \$6,000 every three months which is what the township turns over to the city for treatment of its sewage at the Brantford sewage treatment plant. Is that correct?

Mr. Mierzynski: We are not paying the township for anything to do with operating costs whatsoever.

Mr. Makarchuk: Okay. Would you check that out? I'll check back with my people and find out if this is the situation.

The final thing I wish to touch on is, of course, the denial of the grant to the city particularly when the city fulfilled all the—I'm sorry; before the gentleman goes away, he'll make sure to send me a copy of the list of all the projects on the Grand and the dates they are coming in? Thank you very much.

On the denial to the city of Brantford of the 15 per cent funding—earlier the minister said that where the city is involved in providing low-cost housing and good planning is not deterring housing or anything of this nature, you certainly would provide funding. Brantford fits exactly into that category.

Hon. Mr. Kerr: When did I say that?

Mr. Makarchuk: When you were referring to the city of Burlington earlier this—

Hon. Mr. Kerr: That was money from the Ministry of Housing to encourage a certain type of housing development. In Burlington it was multiple housing, high-rise and OHAP projects.

Mr. Makarchuk: We've got exactly the same thing. We have OHAP. We have high-

rise. We have multiple housing. We have at this time space for 7,000 housing units on stream or available. In other words, there's draft plan approval and so on for these projects. It sort of boggles the mind to think that Brantford is one of the few communities in Ontario which haven't received one bloody red cent from your ministry for sewage treatment services. Not one cent.

[2:45]

Here, where the city has taken on an obligation to provide treatment for another municipality, because of urban-rural squabbles and so on and a developing health problem, the city has agreed to provide services for them. This is being extended for other reasons. Those people in Brantford have to undertake a \$9-million expansion of a sewage treatment plant and you refuse to provide your share of financing according to your own regulations.

Hon. Mr. Kerr: To set the record straight, we built the plant in the first place a few years ago under the financing arrangements of that day. Like Windsor, Brantford has been attempting to get the 15 per cent subsidy that we pay for regional plans. Brantford isn't a region and Windsor isn't a region. The 15 per cent subsidy only applies in those circumstances. I realize that Brantford is providing treatment to municipalities outside its boundary, but it has to make an arrangement with, for example, the township of Brantford for the services that it provides the township.

Mr. Makarchuk: Just a moment.

Hon. Mr. Kerr: Let me finish it. You're only kidding yourself if you think that there is any great saving or any great benefit in the long run to the citizens of Brantford, regardless of who happens to pay for that plant. One way or another it's out of the public purse. All I'm saying is there isn't a programme whereby if a municipality such as Brantford or Windsor decides to finance and build its own plant with its own plans, with its own consulting engineer and its own design and operate it, we have any type of grant or financing in circumstances such as that unless the plant, as I say, is within a region.

Mr. Makarchuk: Have you got your section 6 of the Ministry of the Environment regulations? If you haven't, I'll read them to you. It says: "Eligible recipients: Two or more municipalities. Conditions and procedures: Two or more municipalities must be involved,

with existing built-up areas." Brantford meets those criteria exactly.

Hon. Mr. Kerr: Do you want to comment on that, Mr. Barr? Do you know the section he's reading?

Mr. Barr: I know the section he's reading but I don't know the financial arrangements between Brantford city and Brantford township.

Mr. Makarchuk: There is the section.

Hon. Mr. Kerr: Are you sure that doesn't apply to regions and restructured municipalities?

Mr. Makarchuk: No, it doesn't say regions.

Hon. Mr. Kerr: Does it say restructured municipalities?

Mr. Makarchuk: No, it does not.

Hon. Mr. Kerr: You mean where two municipalities get together? You're talking about a sewage treatment plant here. The sewage treatment plant was completed. It was after that that the township wanted a sewer system to connect into that plant. I wonder if that's in tandem enough to qualify under that section.

Mr. Makarchuk: We're talking about an expansion to the existing plant. We're not talking about the plant which you built. We're paying for it, every cent. There's no provincial money.

Hon. Mr. Kerr: There's no great advantage to it.

Mr. Makarchuk: There's no provincial money.

Hon. Mr. Kerr: In other words, if Brantford has \$9 million, why wouldn't you recommend it go ahead and pay for it? What is the saving to the people?

Mr. Makarchuk: The saving to the people is that 15 per cent of gross capital costs is provincial funding. The saving in this case to the people of Brantford would be something like \$1.3 million. That saving for a city the size of Brantford is a sizable saving.

Hon. Mr. Kerr: Mr. Cockburn or Mr. Jackson of the legal department, can either of you explain this section and why Brantford wouldn't qualify?

Mr. Cockburn: I think the only explanation I can put on it, from the limited amount of information I have, is that the expansion is

not being done by us. Is this correct, just so I can straighten this out?

Mr. Makarchuk: Yes, that's right.

Mr. Cockburn: Has it been done or is it in process?

Mr. Makarchuk: It's in the process. We have to go ahead and do it.

Mr. Cockburn: It's in the process of being done. Normally, the applications made for that type of thing are submitted after the municipality has the project under way. It's not an advance type of financing, it's paid after the fact.

Originally, it was restructured municipalities, I think, which has been said; it was for the case of one or two municipalities, combined with a common treatment works. I think if the application was made now on that basis, knowing that Brantford township recently has reached this agreement with the city of Brantford, I think probably it may be eligible.

Mr. Makarchuk: Okay, I'm glad to hear that. Perhaps we should reapply. The mayor has been to see you; I was at the meeting, you were there. Really, conditions haven't changed. When we were there the existing agreements were in effect; we agreed to treat the sewage from Brantford township and that's exactly what we're doing. The costing has probably changed; it's gone up.

The original application was made, or should have been made, by Mr. Beckett, because that was the time when the letter was written to him by Walter Gigg and nothing's happened. That's the situation right now—the city is providing it.

Again, the city is providing housing. We're not cutting back, we're not denying housing or anything like that. We're in an area which, in terms of percentages, has probably had the largest growth of any community in Ontario because of industrial expansion and because of the proximity of Nanticoke.

There is this kind of pressure on the community. Here is a community which can provide that infrastructure for people to locate, but you in your department refuse to provide assistance. The city went into it with the understanding—they read your regulations and they checked them out; there have been numerous phone calls and letters. It has been checked out with you. In good faith they proceeded with it and then you tell them no.

Hon. Mr. Kerr: Are you suggesting—this is important, I would think—that the expansion

of the Brantford plant was done to accommodate the township?

Mr. Makarchuk: Absolutely. That's exactly it.

Hon. Mr. Kerr: Then I don't know why the ministry has been writing letters turning Brantford down in view of what Mr. Cockburn has said.

Mr. Makarchuk: Are you prepared to re-examine the situation?

Hon. Mr. Kerr: Yes.

Mr. Makarchuk: Very well, I will convey that information to the city of Brantford and we will proceed. That is all I have.

Mr. Bain: I would like to raise a point of personal privilege. On November 29, I asked the minister a question about tracing the sewage problem in Round Lake to the new sewage plant in Kirkland Lake and he re-directed the question to Mr. Fry. Mr. Fry said he would attempt to have something for us by 4:30. Obviously he wasn't able to assemble the information by 4:30 on November 29, and yesterday commitments in the House prevented me from being in the committee. I would assume that perhaps today we would be able to get that information for the committee?

Hon. Mr. Kerr: Will we have that before we adjourn today? We'll try to get that for you.

Mr. Bain: Okay. Thank you.

Hon. Mr. Kerr: I wish you fellows would write a few more letters before the estimates asking for information, rather than coming in and wanting something tabled during the estimates. It's a little inconvenient because most of the people who get that information are here.

Mr. Bain: Unfortunately, sometimes when we write letters we don't get the exact information but when you're here we can say, "That's not as clear as we'd like it," and we can ask supplementaries.

I like this occasion when we can—we could have six months elapse before we get the information, this way we only have a day elapse.

Hon. Mr. Kerr: Never. You get it the next day usually.

Mr. Gaunt: The information I requested on the Whitchurch-Stouffville landfill site isn't available, but I understand will be later on

this afternoon. I gather from the previous discussions we've had here that the tests and the hydrocarbon analyses on the municipal wells indicate there's absolutely no hazard to the drinking water in that particular area from that landfill site. That being the case, I won't pursue that matter any further but I will be interested in getting the information.

In respect to municipally-treated water, apparently in the United States there are indications that birth defects may be caused by pollutants common in the public drinking water systems resulting from the chlorination process. I'm wondering if the ministry has actually isolated the substances that react with chlorine during the water treatment to produce the chloroform. I think there were tests done on water systems across the province which indicated that Belleville had some traces of chloroform that were higher than most. Even in Toronto it was discovered that their water contained chloroform as well. Has the ministry isolated those substances?

Hon. Mr. Kerr: Do you want to respond to that, Paul?

Mr. Foley: In 1975, I think, the ministry commenced examination of drinking waters specifically for chloroform and the other by-products of the haliform reaction. The results were released in the press release to which you referred.

Since that time, in terms of a programme to look at methods of elimination, we initially examined the current water treatment processes that are commonly used in the province—coagulation, sedimentation and filtration—to develop systems, utilizing this equipment, which would remove those materials which when chlorinated, produce these end products. Internally we completed that work about a month ago.

Specifically, you mentioned Belleville, which was one of the supplies that we used in that work. The other one we were particularly interested in was Cayuga. In both of these cases we find that we can remove the material and effectively reduce chloroform levels to the range of about 20 parts per billion. This work is being done on a lab basis and will now be moved to our pilot plant. If it proves to be feasible on that basis—and here the feasibility concern is that we have to make some estimate of the capability of plant operators. We're really talking about a chemical plant in terms of operation and complexity and whether it is going to be suitable for application on a full scale.

The status of that programme is that we are now moving to pilot scale. If that works

out satisfactorily, we will probably then approach Belleville, or possibly Belleville and other communities, for a full-scale trial. We would instruct them in how to carry out the procedure, then leave them alone to see if it can be done by the staff in the plants at the present time, which is one of the problems of implementing it.

There are other approaches being taken—and I think I referred to them yesterday—in the use of other disinfectants. The problem, as I outlined it then, is that we don't know what the adverse products are that are produced by these other means. We ourselves, in the present programme, are looking principally at ozone. Other jurisdictions are examining other things, meaning ultraviolet light and chlorine dioxide and combinations of these.

[3:00]

Mr. Gaunt: Thank you very much. I want now to turn to a matter having to do with Sudbury's primary water supply. As I understand, they get it from Lake Wanapitei. There's a problem arising there. I believe your ministry has allowed the installation of a \$7 million water treatment plant which provides the major water supply for the city.

At the same time, the Ministry of Natural Resources has allowed several claims in the area to be picked up. I believe Hollinger Mines is now intending to drill for uranium under the lake. It seems that there certainly could be a potentially dangerous situation develop there. Has the ministry done any studies with respect to the possible effects of drilling for uranium under that lake and what those effects might have on the drinking water supply of that city?

Hon. Mr. Kerr: We haven't done any studies in respect to Lake Wanapitei and Sudbury. It is my understanding that the plans of MNR are very much in the preliminary stages. I would suggest that if the drilling is anywhere near the intake pipe of that particular plant, there will have to be an approval from my ministry before the drilling will go ahead.

I am not sure if there is a problem there. For example, there is drilling in Lake Erie for gas, and at one point in the Lake St. Clair area we have rigs in the lakes close to intake pipes for treatment plants for the communities around that area.

As I say, I am not sure what MNR's plans are, but certainly even without a \$7 million water treatment plant, if there is any possibility that the drilling will result in leakage

of uranium into that water supply the drilling would be prohibited.

The type of rigging they use for under-water drilling of uranium and all of this sort of thing would have to be considered. If there is leakage or loss of that metallic compound, certainly that would have some effect on any decision to allow them to go ahead in Lake Wanapitei which up until recently was a source of drinking water for a lot of people even without the treatment plant.

Mr. Gaunt: I understand there was an order by the Deputy Minister of Natural Resources under The Mining Act, dated November 17, 1976, which has frozen any more staking of claims under the lake. There are still, however, some claims already staked, and that are being upheld, which will permit Hollinger to drill on those claims. They won't be able to pick up any more claims but they can still drill on the claims they have now. It seems to me, in view of the established fact that uranium has a great potential as a cancer-producing agent, this kind of thing should be viewed very seriously because it could have far-reaching effects on the water supply of the city of Sudbury. This is where they get their major supply of drinking water.

Hon. Mr. Kerr: That's right. There's no drilling going on there now for uranium in Lake Wanapitei?

Mr. Gaunt: No, not now. But there is a potential, it could happen.

Hon. Mr. Kerr: Yes.

Mr. Gaunt: Apparently Hollinger Mines intends to drill on the claims it now holds. It can't get any more claims, but it is going to drill on the claims which it now has.

Hon. Mr. Kerr: That's the type of thing we catch under The Environmental Assessment Act, which you can appreciate.

Mr. Gaunt: If you can catch it under The Environmental Assessment Act, fair enough.

Hon. Mr. Kerr: Mr. Fry, do you know anything about that? Do you know anything about the staking of claims for uranium in the Lake Wanapitei area?

Mr. Fry: I don't know too many of the details of this. I am aware that Hollinger has staked claims and that our industrial abatement staff in Sudbury has met with Hollinger and with the representatives of the city with respect to this matter. All I can say at this point in time is that if it were to proceed, either one drill hole or two, we

would want full details and would ensure that adequate precautions were taken; or that there would be no threat to either the cottagers' water supply or the city water supply. At this point in time I have no details as to the proposal.

Mr. Gaunt: I just think the ministry should certainly be alerted to the potential dangers of this situation and should keep a very close eye on it.

The Canboro disposal well has been beaten to death and I don't want to prolong the discussion on that matter any further, other than to respond to what was said this morning. Since we have done, really, no research in Canada with respect to deep well disposal, particularly in the Cambrian formation at various depths, nor have there been any studies done, apparently, on any of these wells after periods of two years, I am wondering if it wouldn't be a good idea for the ministry to accumulate some expertise in this area and do some of these tests. Apparently phenyl occurrences in fluids reached the surface in the Sarnia district, which suggests the upward migration of wastes. I think we should be taking a look at it.

I was reading a paper over the lunch hour which people by the name of Simpson and Lennox produced in 1974 which noted the possibility that the first Canadian record of an earthquake was produced by fluid injection at Snipe Lake, Alberta, in September, 1970.

I think these are some things that we should be looking at and on which we should be doing some research here in Ontario or at the federal level to see what effects this type of action has. Certainly we know very little about the physical and chemical behaviours of waste in the subsurface environment, because we don't have any studies to indicate what happens down there when you pump these substances down, albeit at fairly deep levels. However, when those substances are shot down there under differing degrees of pressure and temperature, I think they have potentially dangerous effects. I say potentially dangerous effects, and with that in mind I think it would be well for us to do some monitoring on the effects of waste injection in this way.

I would hope the ministry would take a look at that and consider it.

Hon. Mr. Kerr: I am not satisfied with the capability we have in this area. We need more research, we need more expertise. We have the experience of the wells in the Detroit formation, as the hon. member mentioned, in the Sarnia area. We should have

more information on the Cambrian type of proposal for Canboro in terms of the potential that may exist from the mix. I'm sure that information must be available and I'm sure it would be made available to the environmental assessment hearing before it's concluded in Canboro.

We know generally what metals are being pre-treated at Tricil, for example, and the effect of the pre-treatment and of the ultimate disposal in Canboro. Assuming we will regulate to some extent the types of metallic substances, as the hon. member says, what is the result if there is a mix going down a lined disposal well? Is there any effect on the subsurface in any way? I think we're going to have to have that information for this hearing, let alone for our own benefit.

Mr. Bain: Mr. Chairman, I'd like some information from the minister dealing with the Temagami water and sewage project. As I'm sure the minister will recall, I discussed this with him last year. This has been a problem that's gone on now for, I believe, well over 10 years. The community of Temagami, the old town itself, has been attempting to get a proper facility for a number of years. The problem has become more acute in that the pollution in the lake itself is being aggravated.

The minister may not be aware that for a number of years many people in the community felt that because there is rumoured to be a valuable ore body under the old town itself, the government and the mine company, Sherman Mine, were in some way in collusion and they were attempting to hold back on water and sewage facilities in an effort to squeeze the people out of the community and get them to move to the new townsite which was established when the mine was first opened.

Fortunately the government has been attempting to allay that fear in the last few years and, perhaps coincidentally, before the last provincial election the government announced that there would be a water and sewage project for Temagami. The people were happy to hear that, but the project has not materialized yet. There still is no construction and no construction dates.

Apparently the Ministry of the Environment has been suggesting to the people in Temagami that some form of Aquarobic experimental system would be suitable and that this system would be good for Temagami in that it would be less expensive than the traditional water and sewage system. I have been told that the local people have grave reservations about any sort of experimental

system. They are worried that the system itself would not function properly and that if the system was installed and wasn't working, they would end up holding the bag and would have to put out a lot of money to try to patch it up and make it work but it never would work properly.

That's their first fear. The other fear is that the system, as discussed with them, allows for very limited expansion; there would be almost no development in Temagami beyond what presently exists. They don't feel this would be acceptable in that they would like to be able to have more homes in Temagami itself.

Could the minister tell me exactly what status the Temagami water and sewage project has at the moment? Then perhaps we could get more details.

[3:15]

Hon. Mr. Kerr: Before I do that, I want to correct an impression that the hon. member has left. The ministry suggested Aquarobic; the town turned that down. In fact, it is the town that is suggesting the system that we are going ahead with; that is, the low-pressure communal sewage system which consists of individual grinder pumps in each particular residence which discharge through small diameter force mains, either directly, or through a common larger force main, to the sewage treatment facility.

The benefits of this system are listed as follows: Shallow bury and hence lower cost, especially where there is a lot of rock. Secondly, it is a layout which permits direct connections without the necessity of allowing rigid grid patterns; and it has lower operating costs, since the flow is less than a conventional system.

As I say this system was brought to the attention of our ministry. I believe there is a similar system in a community in Newfoundland. Temagami retained J. F. MacLaren, consulting engineers, who apparently are satisfied that this system will work and submission was made to my ministry for approval. This has been reviewed and approval has been given in principle along with certain changes. We had recommended some type of lagoon system, but because the township wanted to go with this proposal we have approved it and it's now under final design. We've got funds allocated in the estimate for the next fiscal year of about \$1.25 million. Construction should start next year.

Mr. Bain: Next summer then.

Hon. Mr. Kerr: Yes.

Mr. Bain: You've said that you prefer a lagoon system. That would be a traditional system then without modifications, or what?

Hon. Mr. Kerr: We had at first suggested both Aquarobic and lagoon. The Aquarobic system could be expensive—this is something we pointed out to the town—because of the topography in that area and the heavy rock and the problem of getting adequate lot size. Therefore one of the recommendations we had as a solution before we were aware of this other system was that a lagoon with phosphorous removal along with seasonal discharge to the Snake Island River be utilized. Because of the confidence shown by MacLaren and some success with this method of treatment elsewhere, we've approved this method of treatment and we expect that the work will start in April or May of 1977.

Mr. Bain: The one thing that bothers me somewhat is that if this system that you refer to as the Newfoundland system, runs into difficulty, what sort of obligation will the ministry be under to step in with assistance? The climate in Newfoundland is not the same as that in Temagami at all, and I'm a little worried about these mains being on top of the ground. Although they are going to be covered, they are still not going to be buried to any great depth.

What happens if there is difficulty with it and it just proves to be a bad experiment? What will happen then? Will the ministry step in and provide some assistance?

Hon. Mr. Kerr: It would be the same type of arrangement, I would think. The work would have to be done. If it involved rehiring a consulting engineer the cost would have to be borne the same way as the financial arrangement of the original plant.

I think it is important that you realize that the town refused to go ahead with any other type of facility. They hired a consulting engineer who said that this system will work.

Mr. Bain: The improvement district council did.

Hon. Mr. Kerr: We have given—what do we call it, not complete approval?

Mr. Sharpe: We've given preliminary approval on an experimental basis.

Mr. Bain: But do you feel the Newfoundland system is a good system?

Mr. Sharpe: We reviewed it fairly thoroughly and we feel that the consulting engineer, who has had experience with this in an-

other jurisdiction, is from a very reputable firm. We have quite a bit of confidence in this firm and the design of this system. However, we have some reservations because it's new to us. We have never had one in Ontario. We haven't operated it, and there's a certain amount of reliance put on the facilities that are in each home, which is different than a conventional gravity system.

Mr. Bain: It would appear then that you still have some reservations about it?

Mr. Sharpe: I think we will have reservations until it has been built and operated satisfactorily.

Hon. Mr. Kerr: These fellows are a little extra-cautious. We really have to innovate a little more. We have about two types of systems for sewage treatment. They're very costly and they just don't serve well everywhere in the province. We've got to experiment. We've got to try new methods. If those new methods will work better, for example, in Temagami and at the same time be a little cheaper, with the expertise behind this approval, I don't see any reason why it shouldn't go ahead.

Mr. Bain: I'm not against it.

Hon. Mr. Kerr: I know, you're concerned about the people, the individuals, the homeowners in Temagami.

Mr. Bain: I don't want to see them burnt; that's my problem.

Hon. Mr. Kerr: I can see some kinks in the system that can be corrected. From time to time it may require more pressure pumps or things of that sort. I can't see the \$1.25 million expenditure being a wasted effort at all.

Mr. Bain: How does this system allow for expansion? How much expansion can be accommodated by this system? For example, could we add 100 more homes to this system?

Hon. Mr. Kerr: I think there can be infilling; there can be new homes added to the system, the same as you would in a communal system.

Mr. Bain: But how many? This is the problem.

Hon. Mr. Kerr: To whatever the capacity of the system happens to be and the capacity of the plant.

Mr. Bain: This is what I'm wondering. What will the capacity be once it's installed?

How much expansion would be allowed by that system? What would it accommodate?

Hon. Mr. Kerr: I'm told this system consists of individual grinder pumps in each residence which discharge through small diameter shallow force mains, ending up in the main main and thus the sewage treatment facility. Do you want to add to that?

Mr. Sharpe: No, that's substantially it. In answer to your previous question about being cautious here, we're willing to gamble and finance this thing for the municipality. We wouldn't go that far if we didn't have that amount of confidence in it. We wouldn't put a nickel in it.

Mr. Bain: What's the capacity for expansion in this system?

Mr. Mierzynski: The capacity for expansion is available but it is limited. We have had a number of meetings. As a matter of fact, I personally attended some meetings in Temagami where this was explained. Just as a point of information before I complete the answer, there was a public meeting in Temagami last night where the system was explained to each and every resident who attended the meeting. I don't have the report on that meeting simply because the man who presented it is not back as yet.

But to go back to the possibility of expanding the facilities, the facility can be expanded, but this particular one does have a limit. Whereas we would normally design a facility with an expansion possibility on a 20-year basis, we are not designing this facility on that same parameter simply because of the limits to growth in Temagami, which were defined.

Mr. Bain: What is the limit of the system then? How many more homes?

Mr. Mierzynski: The system provides for all the existing homes plus, I believe, up to a maximum of somewhere in the order of 80 additional homes on the present system. That is what we envision. It doesn't mean that the system could not be expanded beyond that capacity, but that is what it's being designed for at the present time.

Mr. Bain: You mean if you expanded beyond 80 additional homes major revamping would be required? You could add to the system?

Mr. Mierzynski: The system is designed to be added to since each home is served individually by a small force main. I can't answer the question specifically on the treatment

facility. We have applied in that regard to the Environmental Hearing Board for a hearing and there is more than one alternative available on the treatment. It could be a mechanical plant or a lagoon. We are hoping that the lagoon alternative may be possible here because of the operating costs, which we are trying to keep to a minimum.

Mr. Bain: You mean you don't have a plant decided upon yet?

Mr. Mierzynski: We have the alternatives presented to the hearing board for their consideration—various sites that are possible for treatment—and those particular sites could be mechanical treatment or they could be a lagoon form of treatment.

Mr. Bain: Where will the discharge be from the plant?

Mr. Mierzynski: If it's a mechanical treatment facility—I'm sorry, I don't have the information with me. I don't know if Mr. Caplice can help me here or not. I can't answer the question myself. I would have to get back to you on that, but I don't know the names of the lakes there.

Mr. Bain: Is it going to go into Lake Temagami itself?

Mr. Mierzynski: No.

Hon. Mr. Kerr: Where is the location of the plant? Do we know where the location of the plant will be?

Mr. Mierzynski: It has not been set. We have three alternatives for consideration, Mr. Minister, and we have applied to the hearing board for a hearing date to consider these alternatives.

Mr. Bain: The other main question; the mechanical plant, then—basically you're just going to grind it up or are you going to reduce the pollutant aspect of it at all?

Mr. Mierzynski: No. The grinder pumps are located in each individual home and they pump to the treatment facility, wherever it is or whatever it is. That is different from a normal conventional system where we try to pick up most of the sewage by gravity flow and deep bury. This system is a shallow bury to keep the cost down, as the minister explained, and it will be heat traced in case of freezing problems, which we are hoping we will not have.

Mr. Bain: I know how much treatment occurs with a lagoon, but if you have a plant system, what will be the purity of the discharge?

Mr. Mierzynski: This plant or the lagoon will have phosphorus removal facilities, so it'll be a secondary plant with phosphorus removal facilities as well.

Mr. Bain: Thank you. One final question. What proportion of the \$1.25 million is the ministry going to cover? What proportion of the entire project?

Hon. Mr. Kerr: This is the 75 per cent estimate? Yes.

Mr. Bain: You agreed to cover 75 per cent of any type of installation?

Hon. Mr. Kerr: Right. Any enlargement or correction will have the same financing arrangement as the base financing arrangement or original financing arrangement. In other words, we pay up to 75 per cent of the total cost and I think it works out to \$110 and \$130 per homeowner. Isn't that right? In this case it's sewage, so it'll be \$130. Right?

[3:30]

Mr. Sharpe: No. The basic home-owner charge is the level on which the subsidy starts to work. George, do you know the figures for this particular project?

Mr. Mierzynski: Yes. To explain the subsidy, if the typical home charge exceeds \$130, subsidy starts being applied up to a maximum of 75 per cent of the gross capital dollars of the project, which doesn't mean that costs above \$130 don't apply, as you can see. On this particular project, depending on the method of treatment selected and approved, the cost could range from something in the order of \$170 per annum per household to something in excess of \$250.

Mr. Bain: You pick up 75 per cent of that beyond \$130 per household.

Mr. Mierzynski: The typical home charge is the combined charge, which takes into account the operating cost as well as the capital cost to be repaid. But the operating cost itself is not subsidized. This is why I mentioned that we were hoping that the lagoon form of treatment might be the selected alternative, because the operating costs decrease and we would go into the lower figure per home.

Mr. Bain: If any additional changes would be required, you would still be willing to subsidize for 75 per cent?

Hon. Mr. Kerr: That would be the same as an expansion, for example, or incurring additional cost. These are provincial sewage

works, so I would anticipate that that would be so.

Mr. Bain: Fine. Thank you.

Mr. Chairman: Mr. McKessock?

Mr. Gaunt: Mr. Chairman, I think Mr. McKessock is going to speak on the next vote.

Hon. Mr. Kerr: Do you want to carry this vote?

Vote 1903 agreed to.

On vote 1904, resource recovery programme:

Mr. Godfrey: I realize this is the last vote, and I would like to say I appreciate the co-operation I have had during the estimates. Your courtesy in sending me your letters and so on has helped me a great deal.

I want to talk here mainly about waste utilization, which is item 1 under vote 1904. In order to put it in its proper context, I would like to go back a little bit on some of the history. You were good enough to provide me with a letter pointing out that since April 1, 1975, there have been 73 landfill site applications received, 29 are still under review and only three have been refused. I must presume from that the other 41 are now in action or about to be in action. This means that since April 1975, a period of about 20 months, we now have another 41 landfill sites ongoing.

In looking over the number of landfill sites that are ongoing, and in speaking to people around the province, I gather at present that six per cent of existing sites are being disputed by citizens' groups and 27 per cent of all proposed sites are being disputed by citizens' groups. This seems to me to indicate that somebody isn't happy about the way we are handling solid waste. In other words, our waste utilization programme leaves something lacking.

These figures are quite frightening when we realize the amount of energy which must be generated in citizens' groups in simply resisting the landfill sites. In looking over the groups that are resisting those sites, I find a very interesting collection through all of southern Ontario. We might as well begin in your riding, Mr. Minister, at Tremaine-Britannia, where I understand some 500 acres are slated at present for a landfill site, providing the environmental hearings and so on go through. Inasmuch as there has been no viable alternative put up to it, I would imagine that landfill site will go ahead. I just want confirmation from the minister that he

is aware of the agricultural quality of this land, which I understand is pretty well all class one agricultural land.

Hon. Mr. Kerr: I'm quite aware of that.

Mr. Godfrey: Thank you. And it grieves you greatly, I am sure, to cover in the 500 acres of agricultural land, which is necessary because that is the only means we have of taking care of the garbage.

Hon. Mr. Kerr: I have had 500 postcards pointing out to me it is prime agricultural land and that it is aesthetically important that a site not be established at Tremaine.

Mr. Godfrey: I can realize your position, Mr. Minister, and I'm sure you don't like to destroy prime agricultural land. You'll be interested to know I'm sure, that I'm not going to support this vote, I'm going to vote against it—largely because there isn't enough money in it to do what should be done. I warn you at the beginning that I will not support this vote.

Let's move on to the Peel-Mississauga landfill site. This is the Maple dump, as you know, which has caused a great deal of concern amongst people. There are just one or two things. You are aware of the proposition for it; this is a landfill site which is to take care of Mississauga, Peel and all the area around there.

I'd just like to read you a quotation from a newspaper and get your reaction to it. This is from the VRD Times and Conserver—I'm not sure what that is—September 10. It quotes a certain Mr. Goodhead, at a meeting who stated: "His firm now operates four landfill sites in the York region. 'Our Maple plan is designed to accommodate all solid waste materials from the region of Peel, the region of York and Metro Toronto by truck and CN rail for a period of at least 30 years.'" Having put that remark into the record I would invite your reaction to that. Does Mr. Goodhead have that sort of swat that he can say things like that?

Hon. Mr. Kerr: No, the Maple hearings are going on at the present time. They will have to be completed. I expect they won't be completed really until well on into the new year and then the Environmental Assessment Board will then have to make its recommendations to the ministry based on the evidence presented at those hearings—the objections, interventions, et cetera. I'm sure Mr. Goodhead is aware that anything he says now is quite conditional.

Mr. Godfrey: It would be almost irresponsible, wouldn't it?

Hon. Mr. Kerr: Could be.

Mr. Godfrey: He then went on to state that his firm was prepared to build, operate, and transport waste from a series of recycling transfer stations. Would this fit in with the minister's plans?

Hon. Mr. Kerr: Oh yes, you see for the most part solid waste is still a local responsibility for the collection and disposal of garbage and waste. So if Mr. Goodhead made that remark it fits in, for example, with the plans of Metro to build a series of transfer stations around the area, which will then enable pickup and disposal at a site such as Maple or whatever site may be approved and licensed.

Mr. Godfrey: May I ask how many postcards or other types of pieces of literature you've had about the Maple dump?

Hon. Mr. Kerr: Very little. What's your objection to it?

Mr. Godfrey: My objection is to landfill sites as a whole, sir. But it's not my ministry that has brought the estimates here.

Hon. Mr. Kerr: No, I know that, but you are talking about Tremaine Road and you talk about prime agricultural land and that, of course, is a fact. But I wonder if you are naive enough to think that we're not going to need sanitary landfill sites for the next 10 or 15 years?

Mr. Godfrey: I'm not naive enough, sir, I'm skilled enough in the knowledge of this problem to be able to tell you—and to convince you, hopefully—that we won't need them.

Hon. Mr. Kerr: Well we do. No expert will say that all solid waste can be completely treated without some residue.

Mr. Godfrey: Which fraction can't be treated, Mr. Minister?

Hon. Mr. Kerr: Even the dust particles, for example.

Mr. Godfrey: Are you speaking of the fly ash?

Hon. Mr. Kerr: Wes, would you like to come up to the microphone and answer that?

Mr. Godfrey: Are you speaking of the fly ash, Mr. Minister?

Hon. Mr. Kerr: Yes.

Mr. Williamson: There is at least 40 per cent of the waste produced in most municipalities which isn't processible at all—demolition wastes and so on—and that will always have to be landfill and always should be landfill.

Of the other 60 per cent there is always going to be some process residue and that will be greater or less depending on the particular process which is used. That again will have to be landfill or used for land reclamation, of course, if you make a distinction between the two things.

Mr. Godfrey: That's a very important distinction, isn't it, Mr. Chairman—used for land reclamation?

Hon. Mr. Kerr: I would think, for example, if the Maple dump happens to go ahead that land reclamation is a very important part and phase of that, the same as other pits and excavated quarries in various parts of my area. We have attempted to include those in the whole disposal network but, because of local objections and various citizens' groups, we can't even get that off the ground because of the misinformation that is being spread around by these groups.

I think it's important that we realize there will always be, certainly in the foreseeable future, a need for landfill sites and abandoned quarries and unsightly pits are logical areas to dispose of garbage when, at the end of that disposal, they can be reclaimed to build on them or to use them as recreational areas.

Mr. Godfrey: Would you care to qualify that and break it up into industrial waste, which includes bricks and laths and things like that?

Hon. Mr. Kerr: I am talking about solid waste generated as a result of a municipal garbage pick up.

Mr. Godfrey: I believe that your associate here has just pointed out that there is a very valuable distinction between what you have just said and what he is talking about, when he talks about land reclamation. If you are talking about filling in a gravel pit with old plaster, old lathing and so on, I don't think you are going to run into the objections.

Hon. Mr. Kerr: Don't forget I am also talking about some type of resource recovery—separation and reclamation at a plant. As I say, even with a resource recovery programme and plants, whether they are front-end plants or complete reclamation plants with RDF, you still need the sanitary landfill site. Cer-

tainly under those circumstances the wastes that go to that site would be such that it could involve reclamation in every case.

Mr. Godfrey: Would you care to expand upon that a little more? Presumably we're talking about an RDF plant. How much of the input must be disposed of in a landfill site?

Mr. Williamson: It depends to some degree on the end use for the refuse-derived fuel. For example, if you are taking the RDF to a cement kiln, we would expect that probably up to 70 per cent of the total amount of the incoming municipal waste could be utilized and only 30 per cent would have to be disposed of. In the case of the "watts for waste" project, where the RDF is going to a Hydro generating station, probably we are talking closer to 50 per cent.

Mr. Godfrey: Let's talk about the cement plant first. The overage—that is, what cannot be used—aside from the RDF, what is that composed of?

Mr. Williamson: At the plant, of course, you would also be pulling off all ferrous metals so that would also be utilized.

Mr. Godfrey: Is that 70 per cent?

Mr. Williamson: No, I am sorry. I included that in the total. The remaining 30 per cent would be principally non-ferrous metals, some heavy plastics and some organic material, such as yard wastes and so on, which wouldn't be suitable for the RDF.

Mr. Godfrey: That is, if you went to an RDF plant. We are really getting ahead of the story. Maybe we come back to this gentleman later on. I am rather pedantic; I like to develop things in a normal manner. I would like to go over the story of what's going on with the landfill sites.

You asked me what my alternative would be, and I have already told you. I don't know what your alternative is for the Pembroke site, a township called Alice, where they now have a landfill site against a great deal of opposition. Did that involve any acreage of good farm land?

Hon. Mr. Kerr: I am not aware of the Pembroke site.

Mr. Godfrey: It doesn't matter. You can consider it as rhetorical. I am sure it did; if it didn't, I could say it did and that would be just as effective.

I am very well acquainted with the Pickering site, of course, and that does involve a

certain amount of possibilities of contamination of water as we know Duffin Creek runs quite close by there. You did receive a letter from me and were good enough to answer it. I was very unhappy with the environmental hearing board that was set up there inasmuch as they pointed out there was some upflow of the aquifer and all of the waste was not going down. I sincerely hope you are going to post a bond on that. Indeed, in a letter to me you pointed out you would consider doing that sort of thing in order to ensure proper drinking water. Of course, that won't take care of the fish in our stream. We do like our trout fishing out at Pickering. That's something I don't think you get in Hamilton Bay. You're invited over any time you want to, but we'd like to preserve it.

[3:45]

Hon. Mr. Kerr: We have lots of smelt in Hamilton Bay.

Mr. Godfrey: They smell all right.

Hon. Mr. Kerr: Smelt.

Mr. Godfrey: Oh smelt, I beg your pardon. Then we might talk about the Scugog dump, which at present is in the process of being opposed. I'm just reading your medals off for you, sir, so you can realize what will be written on your epitaph.

There's no doubt there's a major problem with regard to landfill sites; the Scugog dump is still being opposed and public hearings are requested. Then we might go on to Owen Sound and the major problem up there—but I'm sure you know all these. The anti-dump committee had a meeting on October 16 and they are concerned about it as well.

Hon. Mr. Kerr: They're probably quoting literature from the NDP head office or something, aren't they?

Mr. Godfrey: Sir?

Hon. Mr. Kerr: Are they quoting some literature that's being issued from your office?

Mr. Godfrey: Oh, no. These are newspaper clippings and some of our research that tells us just what's going on. You see, garbage is one of the hottest items in the country right now—

Hon. Mr. Kerr: It certainly is.

Mr. Godfrey: —whether it's coming from power plants, paper plants or what have you. I do hope you will realize it is one of the major problems we have. I hope you sometimes sing about the New Jerusalem; you'll

recall the words of the hymn which point out that we must be saved from the satanic clouds which are coming over us.

Hon. Mr. Kerr: I'm sure the hon. member realizes that one of the biggest problems with garbage is the amount of waste that is generated in the kitchen or created at home. I could think of a couple of good "garbage gamble" dropouts who should be concerned about that, too. You're not one of them, by the way.

Mr. Godfrey: No, we don't have any garbage; I'm forced to eat it.

Then we have the Cornwall situation, the Ernestown situation and the Oxford situation. I notice you are critical of the dumps there, but I would like to get on to the Glanworth situation where, as you will recall, there is still a good deal of very hot feeling towards your ministry down there as to the way that landfill site is being operated. I understand that promises were not kept.

Then, of course, we get into such things as not only the unsightliness but the absolute reality of what goes on with the landfill sites. For example, your impact study on the Owen Sound situation points out there's no doubt that the pollution originated from the Owen Sound sanitary landfill site. Your own report says there is no doubt.

Hon. Mr. Kerr: That's why the city is trying to establish another site.

Mr. Godfrey: But what happened along the way? I presume, looking through the history of this, that you really weren't alerted to it until citizens sort of got together—

Hon. Mr. Kerr: I'm just not sure who has that area,—but we have been dealing with the city of Owen Sound about this site for some time now. We've been concerned about the leachate contamination there. I'm not sure if we imposed some sort of an order on that—Mr. McTavish might bring me up to date—but I know it's because of our urging that they are finally looking for an alternative site.

Mr. McTavish: The existing site for Owen Sound is in Derby township and it has resulted in the pollution of at least two wells, which are noted in the report—that you have in front of you. The city of Owen Sound has agreed to the fact that they have polluted the two wells and they will make restoration. The restoration has taken longer than both we and the city would have liked, but it is progressing and there will be restoration. In the meantime, the city of Owen Sound is attempting to establish another sanitary land-

fill site. As you mention, there has been a lot of opposition to it, and an Environmental Assessment Board hearing on the new site is probable in January or February.

Mr. Godfrey: But inasmuch as this was first brought to the attention of the authorities in October 1975, it is now November 1976, and you are going to have a hearing that will drag on and on, I think the people up there are really not reassured that all expedition is being used in solving this problem.

Mr. McTavish: The problem at the Derby site?

Mr. Godfrey: The problem with this site around which the contamination is at present.

Mr. McTavish: The problem was established early, as you mentioned, and confirmed through our work by the fall of last year.

Mr. Godfrey: I think the only point I'm trying to make—and it's a very good report—is that many people bring this to the attention of the ministry but it takes an awful long time to get started. It also takes a long time in generating, and I'm sure that we must be sitting on a time bomb with many of these landfill sites. You refer in this report to the generation of methane gas and other types of noxious gases. What research has the ministry conducted in what happens with long-term landfill sites?

Hon. Mr. Kerr: We have gone back and tested sites that have been abandoned. We require these sites to be rehabilitated to a certain extent so that there won't be the leaching and contamination that may result, mainly from the lack of any supervision. If the land lies fallow and is not used, if it gets no attention, we want to make sure there aren't any further problems. Do we have any programme of going back after a period of time? Is that what you're talking about?

Kel, would you like to talk about that?

Mr. Symons: Mr. Chairman, I was going to address this in relation to the work we're doing with regard to the IJC in the PLUARG programme. Through that programme we're looking at pollution associated with land-use activities; one of the land-use activities is sanitary landfill.

Through this programme we have several contracts with universities and we are examining the leachate or the movement of pollutants through ground water at a number of selected sites. The results from these contracts are not yet available, but certainly this will give us greater insight into what is

happening at sanitary landfill sites with respect to ground water.

Mr. Godfrey: In essence, you don't know what's happening.

Hon. Mr. Kerr: Apparently not at the present time, no.

Mr. Godfrey: When will we know what's happening?

Mr. Symons: Mr. Minister, I think we do have a pretty good idea of what is happening in many areas, because the movement of ground water away from sanitary landfill sites goes in some direction. In some instances it's toward well supplies, which may be in rural areas; a watch is kept on these well supplies to see that there is no degradation of the ground water as it reaches the well supplies. In other instances the ground water moves towards streams, and an eye is kept on any water that may come out in the form of springs and so on.

We do know that, as happens in streams, a good deal of assimilation takes place in the soil. The soil itself is able to pick up and change the leachate; there is bacterial action and some modification of the leachate. We utilize the natural resources that are there to provide purification.

Mr. Godfrey: If you don't mind, sir—you're with the Great Lakes and you have this knowledge—would you tell me what's happening with the Bay of Quinte? There is surely a problem with landfill sites and all types of other toxicants going into the bay. I believe you said you are associated with Pluarg. Does that take in the Bay of Quinte?

Mr. Symons: I was speaking with particular reference to the landfill area. With reference to the Bay of Quinte, this would be a water resources area and might better be addressed by—

Mr. Godfrey: In looking at the Bay of Quinte, which is sinking fast—it's almost as bad as Lake Erie; we have landfill sites all around it—are you checking the landfill sites around the Bay of Quinte to see if they are a factor in the deterioration of Quinte?

Hon. Mr. Kerr: What is the particular concern about the Bay of Quinte?

Mr. Godfrey: It's very sick.

Hon. Mr. Kerr: Do you mean lack of oxygen?

Mr. Godfrey: Yes.

Hon. Mr. Kerr: Do you think that's caused by the sanitary landfill sites?

Mr. Godfrey: I don't know what it's caused by. I just want to know if you are checking the landfill sites around the Bay of Quinte, which may come up with an explanation of why it is dying.

Hon. Mr. Kerr: If there's a great deal of algae, for example, it is caused by eutrophication, which is probably a result of the sewage treatment facilities not being adequate.

Mr. Godfrey: I've been looking at your statement about the sewage in the Great Lakes. You give them a pretty good mark in phosphate reduction in your report. I'm delighted to hear that we're beginning to investigate this. Have we checked with the American sources? They've had a good deal longer experience with landfill sites than we have. For example, is methane gas production a serious problem with landfill sites?

Hon. Mr. Kerr: This is something that the hon. member for Huron-Bruce raised the other day. I'm not aware that it is a problem. When we close a site, it is my understanding during that rehabilitation stage, before we put any kind of a stamp of approval on the closure, this is one of the things we look at.

Mr. Williamson: We've been looking at the problem of methane, really since we started this programme in 1970. In that time we have only come across about three or four actual areas where methane gas was a problem. These were all entirely similar. They were areas where garbage had been dumped into fairly deep quarries with permeable walls so that the methane moved laterally into basements of houses which, unfortunately, were built adjacent to the landfill.

In other cases there has been no problem. On the checking we have done, we haven't been able to detect methane at the surface of a landfill site; it comes out in such small quantities over such a long period.

Mr. Godfrey: Would you confirm that there are apartment houses at London which cannot be occupied because of methane gas seepage? It's estimated it'll take half a million dollars to repair it.

Hon. Mr. Kerr: Do you mean these are apartment buildings built on sanitary landfill sites?

Mr. Godfrey: Alongside, yes, where the methane has seeped in.

Mr. McTavish: I don't know if you're referring to the one I'm familiar with, but there is an old folks' home, a senior citizens' apartment, built along Mount Pleasant Road in London, adjacent to an old sanitary landfill site. We have required certain collection facilities to be put in as a precaution, to collect gas. We have not detected any gas to date, but we do know that it was a sanitary landfill site. There's no thought of stopping occupancy of the building.

Mr. Godfrey: Then this is not the one. I'm sorry I haven't the reference immediately at hand. What is the experience in the United States?

Mr. McTavish: Mr. Williamson can speak to it better than I. But in part, their regulations setting out the 25-year period of time to maintain some control on the landfill site are a reflection of their experience.

Mr. Godfrey: They haven't had methane problems?

Mr. McTavish: I think this is why they have the 25-year period of time.

Mr. Godfrey: Do you think the character of the garbage or what's being put in makes any difference? As you know, at present we have a lot of hydrocarbons going in, in common with a lot of vegetable matter. You've already referred to it as kitchen waste.

Hon. Mr. Kerr: I would think if there's a difference with the United States it must be some of McCain's products, probably fish and chips or something like that.

Mr. Godfrey: We may now be about to deal with a different type of pollutant, as a result of landfill sites, than we've seen traditionally.

Hon. Mr. Kerr: I just can't imagine the garbage is any different in the United States or that the United States are ahead of us in waste disposal. I think probably it does vary between municipalities, the same as it does in our country.

Mr. Williamson: The mix is different but it hasn't been substantially different over the past 10, 15 or 20 years. We were still getting quite large quantities of organic material all through that period and it's the organics which deteriorate and become methane.

Mr. Biggs: Before we leave that, I think Dr. Godfrey is talking about landfill sites as an all-inclusive term going back into history. I think we should call them what they were;

that is they were dumps, operated without any technical knowledge and without regulatory control. As a result, there's no comparison between this type of operation and the type of operation we would develop today with the hydrological testing and all the safeguards that are built in, through public input and what have you. I think it is most unfair to use the old dump, irrespective of where it might be, in Allison, Fraser or what have you, in the context of landfill sites.

[4:00]

Mr. Godfrey: I agree, Mr. Chairman, Mr. Biggs is quite right. I would like to hear him come back here 10 years from now and make exactly the same statement about 1976, which is what he will do if he is still here. I hope you are still around.

Mr. Biggs: I am sure I will be able to make a positive statement on the safety and the wisdom of some of the site selections.

Mr. Godfrey: I am sure you will. But you see, I asked you specifically where in this budget you had—and we talked about it a bit before—you had your item which talks about incentives to reduce garbage?

Hon. Mr. Kerr: Where is that referred to? Are you referring to something I said?

Mr. Godfrey: Yes, sir. I brought up the matter earlier in my preamble and you said we would have to discuss it under this item.

Hon. Mr. Kerr: Yes. Where did I use the word incentives?

Mr. Godfrey: I used the word incentive and you said you would discuss it here.

Hon. Mr. Kerr: Yes. First of all, is that to reuse? Is that the word you used?

Mr. Godfrey: Incentives to cut down the production of garbage.

Hon. Mr. Kerr: I think probably our beverage container regulation is an example of an incentive. If we are going to have fewer throwaway containers on landfill sites, if more people use returnable containers and are prepared to collect a deposit, this to some extent is an incentive. We are working with various municipalities which have sanitary landfill sites that are filling up and have a short-term life span still to go.

Halton, I suppose, is an example of that, where we have agreed to undertake a study at our cost to assist in either locating areas that may be suitable for sanitary landfill. We undertake the studies, the consultant studies,

we consider the whole programme, whether it should be a resource recovery programme, reclamation or a front-end plant, for example, transfer stations, all of this sort of thing where the ministry is involved and more than it ever was before with helping and giving some direction to the municipality in the future disposal and handling of solid waste.

I have repeated a number of times the financial arrangements we have for the capital funding of front-end plants where we will, in fact, pay the capital cost of such plants, which are expensive, and recover over a 40-year period 50 per cent of the cost. That is an encouragement. It may not be enough but it seems to be an incentive to diversify their waste disposal programme within a region, for example, rather than to rely entirely on sanitary landfill sites.

We are financing now a number of experiments; one is in Windsor, for example. This is strictly on the basis of methods of collection, as has been mentioned before, whereby we are at the present time undergoing an experiment using different methods of collecting, with a common container which we hope in fact will reduce the collection costs, and therefore ultimately the cost of disposal of solid waste.

In London, for example, where we are prepared to finance and construct a resource recovery plant there. You know the situation in Metro; we have a full study involving Peel, York and Durham, and the experimental plan in Downsview, of course, and the "watts from waste" proposal in that community.

A number of studies are going on, resulting in some activity. For example, Kingston now has a private facility operated by Tricil. At the present time it is really nothing more than a transfer station, but it will, in fact, have a form of pyrolysis which will allow reclamation and separation and therefore some economic return from the recycling of waste.

We are assisting municipalities in finding markets, not only in their volunteer programme of setting up depots to handle glass, tin and paper but also in the event the municipality itself is involved in paper pickup and separate collection of tin and glass where the resource recovery facility is not available to undertake the separation at the plant.

As far as education and information is concerned, the advantages to the citizens in cutting back on waste and unnecessary packaging, using composting, all in line with our container legislation; this, again, is all part

of a programme to reduce waste and also to handle it by a more modern method.

I think I've probably said enough at this stage to answer the hon. member's question.

Mr. Godfrey: In my opinion your programme really won't have much success in reducing waste. I can give you a practical example. During the last day I've received these envelopes from your ministry; how can you talk about reducing waste when you are going to do this?

Hon. Mr. Kerr: You ask so much.

Mr. Godfrey: Yes, but you just have to send it to me in a courier bag, put them all in one bag. Look, I've got four separate envelopes and two courtesies of George Kerr.

Hon. Mr. Kerr: Did you get a picture as well?

Mr. Shore: Tell them to come over to pick them up.

Mr. Godfrey: Anything to avoid the waste.

Mr. Biggs: We queried that, and the reason given to me was the amount of material Dr. Godfrey had there; they thought they might get mixed up. I say this seriously.

Mr. Godfrey: Never; thank you very much for your consideration.

If I might go on then, I have detailed that I think we are losing the fight against waste disposal. I don't think we're going to win the fight at our present rate of reducing waste. I point out to you some very interesting work that's going on in France where merchandise is now put up in no container at all, just simple boxes with none of the gimcrackery that goes with it, largely because it's been subsidized by the government in an attempt to cut down on waste. I think this is what I'm looking for from the government.

But let us go on: I'm concerned about the fact that we are getting into—you have a great experiment going, you are going to open your plant you've just given me a press release about—the thing that shocks is that we are so far behind in getting that on the road, because as we well know there are many techniques that are available. I would like to talk about those techniques and why you're not involved in them at present. I rather strongly suspect, drawing from one of your reports, that in the past all process assessment was based on economics, money was the element in any undertaking that was to be used in some of the different ways of handling waste rather than by landfill site.

I would point out to you your excellent report, which was published by Enviricon, I'm sure you're very much aware of it, in which they point out the advantages of getting into some sort of a recovery-of-energy type system. That, I think, is what I'd like to talk about for a little bit now.

I know you've read the report and I know you already have some reaction to it, but I'd like to know, is your presently-announced research programme drawn on the Enviricon report or what? Is that a previous report? How up to date are you in your technology?

Hon. Mr. Kerr: I think what we're doing with the "watts from waste" plant, what we're doing with Canada Cement Lafarge in Woodstock, this type of thing, recovering energy, is pretty well the theme in that report. Do you want to enlarge on that, Wes?

Mr. Williamson: I should point out that's only one of several reports on this subject. We have, for another one, an excellent report prepared for us by the Ontario Research Foundation comparing the energy efficiency of four different types of energy recovery which should be read, really, in conjunction with that particular report.

Mr. Godfrey: Well possibly you could summarize which is the most efficient.

Mr. Williamson: The Ontario Research Foundation examines straight incineration in a water-wall incinerator; a pyrolysis process; the use of an RDF fuel in a cement kiln; and the use of an RDF fuel in a Hydro generating station. They found the most energy-efficient of those was use of the RDF fuel in the cement kiln, the use in the Hydro generating station second, the pyrolysis unit third, and the straight incinerator fourth.

Mr. Godfrey: Were they using water-wall incinerators?

Mr. Williamson: They were comparing a water-wall incinerator, yes.

Mr. Godfrey: I've been concerned. The RDF has several drawbacks to it as well, doesn't it? Did they just compare the advantages of generating steam for immediate use, on-line use?

Mr. Williamson: In the case of a water-wall incinerator this is really all you can look at. In other words the incinerator has to be located close to the point where you are using the steam, whether for process or for distributing.

Mr. Godfrey: Is this taken into consideration by the study?

Mr. Williamson: It took that into consideration. It didn't really take into consideration the waste management system, because of course if you have to locate your water-wall incinerator close to the point where you are using the steam, that may not be the best place, to make it a most efficient waste management system, for the collection of waste. That was not taken into consideration in the study.

Mr. Godfrey: As you recall, the Enviricon report pointed out there were those shortcomings; but on the other hand, if properly sited this was the most advantageous way to do it. I was very much impressed by the fact they pointed out: "If two million tons of solid waste were used each annum"—which happens to be Toronto's production, as you know—"the reduction in consumption of our scarce conventional fuels would be the equivalent to approximately 7,500 barrels of oil per day."

I'm sure you were very much impressed by that, inasmuch as it gives employment to Canadian workmen rather than Arab workmen. That would be a factor you would put into the mix when you were considering whether you'd do something about this.

Hon. Mr. Kerr: That is one method, this recovers energy. Then of course we're also concerned about the generation of an industry involved in, for example throwaway containers or unnecessary packaging, the recycling of glass or tin, reduction in the disposal of paper. Can that be recycled as you suggest? So there are two methods really. You are trying to reduce its source and at the same time you are using the waste to prolong whatever non-renewable resources we have.

[4:15]

Mr. Godfrey: What has been the delay in bringing this on line?

Hon. Mr. Kerr: Pardon?

Mr. Godfrey: Why have we been so long in bringing these experiments on line?

Hon. Mr. Kerr: You mentioned, or somebody did earlier, the great experimentation or the methods being used in Europe. I think we have looked at all those methods. We have looked at the plant that exists in Germany. We have looked at plants in the States that we have been told are all the sort of the millennium in handling waste. In the United States, SWARU is one of the examples of the

modern efficient way of reclamation and recycling, and we know here that it's just not working efficiently. It has a capacity of about 1,000 tons a day or 800 tons a day and it is being utilized at the figure of about 200 a day or something like that. Do you want to enlarge on that, Wes, why there has been some delay?

Mr. Williamson: There are of course just two projects on line or coming on line right now. One is the experimental plant in Downsview. The other is the "watts from waste" project. On the experimental plant, we received approval to proceed with the concept of that plant in 1972. We then had to, as Mr. Kerr has pointed out, look at all the different processes available and develop the details of a concept for a plant of this kind, which is unique, and then, of course, proceed to design it and get it built. We had hoped that it would be in operation about six months earlier than it actually is, but even with the delay I think it has proceeded fairly quickly compared to other plants.

Mr. Godfrey: Do you have a final plan for it, the present experimental plant? Do you have a final plan for it? Are you not in evolution? For example, have you decided what your back end is going to be?

Mr. Williamson: There are a number of back ends in this plant. It is not just a front-end plant. We are separating ferrous metal, glass and to some degree non-ferrous. We are burning the separated light fraction to produce heat for the plant which is a back end, and we are utilizing the organic fraction with sewage sludge to produce compost, which again is a back-end process in our jargon. We are at the moment looking at different types of pyrolysis processes contemplating that we may at some point, when the plant is in full operation, consider adding one as an additional module.

Mr. Godfrey: With pyrolysis, that has a much higher use of the input. You have far less left over.

Mr. Williamson: That is true to some degree. There are also some disadvantages. We feel that its best use would be for a separated organic fraction of the garbage and in conjunction with material separation.

Mr. Gaunt: A supplementary, Mr. Chairman, if I may—excuse me, Mr. Godfrey—I am just wondering, is it possible with that plant to actually set up another module so that you get the production of methanol as a back-end component?

Mr. Williamson: The plant has been designed for this purpose so that an industry or a government or government agency can add such modules and, of course, this can be done at the fraction of the cost we require to build a complete plant for the same purpose. This was one of the reasons we actually started to build the plant, so that this could be done. The answer specifically to your question is yes, it could be done.

Mr. Godfrey: What is the budget for this project?

Mr. Williamson: The total cost of the plant will be \$13 million.

Mr. Godfrey: If I said to you because of Stephen Lewis you can have \$50 million, would this speed up the process?

Mr. Williamson: Not in the slightest.

Hon. Mr. Kerr: You would be throwing away about \$25 million.

Mr. Godfrey: If I said to you that the emergency nature of this is such that we cannot wait until you have finished your little experiment here and there, that we have to move forward a little faster.

Hon. Mr. Kerr: Then you are asking for a magic wand.

Mr. Williamson: The minister has already stated that we have already offered the six municipalities to provide them with the total capital cost of constructing plants. We have already spent the funds to do the initial design of those plants and these are now being considered by the municipalities. It is entirely up to the municipalities now.

Hon. Mr. Kerr: We may have to sweeten the pot. In other words, instead of collecting or recovering 50 per cent of that cost, maybe we're going to have to pay the total capital costs. Maybe also we're going to have to get into the whole business of a waste marketing board in the event of separation of waste, paper, metal and glass. Maybe it will have to come to that, I don't know.

Mr. Godfrey: It would certainly save you money 10 years down the road, I maintain. In looking at the production of energy, which I consider to be the best use for garbage, on page 9.7 of the report which was done on the solid waste management for the regional municipality of Durham in August, 1976, they had considered putting a steam-generating plant into General Motors—you will recall we've had correspondence on this—and decided not to go ahead. Although the economic

feasibility of such a steam-generating plant and the advantage of not having to develop a landfill site were all gone into very thoroughly, MacLaren and Company recommended they not proceed with this because "due to the low summer demand, certain problems concerning staffing of the General Motors boiler plant would exist." Does that seem like a reasonable sort of recommendation?

Hon. Mr. Kerr: Yes; I think at that time there was also consideration of a similar facility in Toronto. It was not exactly the same, but you're probably aware of the Toronto and district heating study. The idea was to have a steam plant on Pearl Street which would integrate four group heating plants, those of Toronto Hydro, the Hospital Steam Corporation, the University of Toronto and Queen's Park; we'd all be in one district heating system, which would be a refuse-fired steam plant to provide a cheaper source of heat.

That is getting off the ground now. I think we're putting a certain amount of faith and emphasis on that, trying to get four or five entities together to agree to something. The city and the province have signed an agreement on the integration of these four plants. I'm hoping, once this is completed and we do have the single refuse-fired plant, that this will give us a great deal of information regarding any saving from this type of heating system, the amount of refuse that will be available when it is being trucked in from the whole Metro area and whether or not we can move into other areas with this type of a system.

As I say, you believe in creating energy; but as you know, the purists don't want to burn anything. You'll remember the great garbage gamble. If you talked about burning newspapers, it was horrors with those people. Everything has to be recycled and reused. I agree with you that incineration, in my opinion, is better than landfill. The problem is cost. Owen Sound is the great example. We recommended incineration for Owen Sound as they have the industrial land available for that. But you try to convince them they should be paying \$10 a ton rather than \$3 or \$4 a ton for disposing of their waste.

I suppose we're all into this whole question of subsidy, helping the municipality if we think the difference is worthwhile. Maybe there should be a programme of financing.

An hon. member: That man is smoking a pipe. I just saw some smoke.

Mr. Chairman: Dr. Godfrey, I'd just like to remind you that each party is allocated the same length of time and your time is up.

Mr. Godfrey: I'll just finish off then, Mr. Chairman. I'm concerned the minister wants to wait until the Toronto district heating study is finished.

Hon. Mr. Kerr: It's finished.

Mr. Godfrey: No; I mean until you can see your cost savings, when you've already paid a lot of money to have MacLaren tell you what your cost savings are. I hope you didn't pay them for this report, inasmuch as they passed up that Ajax steam plant which is acting now and you have now had to call a special inquiry.

Just to finish off, you have a great many reports put on your desk, which must be very expensive to the taxpayer. What do you do in a case where somebody has done a report, such as MacLaren has, on the advisability of using steam generation, and not gone to a working steam generating system which feeds 56 customers, 70 buildings, three high rises, a high school, Chrysler, Reed and a lot of other people, and didn't even bother going to them to see if they would be interested or if it was feasible to put the steam into their plant. Do you sort of chastise these fellows or do you give them further contracts or what?

Hon. Mr. Kerr: We are not completely happy with that report.

Mr. Godfrey: How do you express your unhappiness?

Hon. Mr. Kerr: Personally.

Mr. Godfrey: Oh, I see.

Hon. Mr. Kerr: Old Jimmy is around every day, you know.

Mr. Godfrey: Thank you, Mr. Chairman.

Mr. Bain: Mr. Chairman, if I could just raise a point of privilege. The minister will remember when we were discussing Temagami I prefaced my remarks by saying water and sewer project for Temagami, but our discussions seemed to focus almost entirely on sewerage. I would just like a point of clarification. I assume we were talking about a water and sewerage project?

Hon. Mr. Kerr: I'm not aware of the water component of that. Are we involved in water in Temagami?

Mr. Sharpe: They have asked for water but we are only involved in sewage at this time.

Mr. Bain: Would it not be cheaper to install the water and the sewerage at the same time?

Hon. Mr. Kerr: Would you use the same type of system for water?

Mr. Sharpe: You would if you're digging a common trench; when you are in rock you do the excavation once and then you can put both systems in at the same time and it is cheaper. Otherwise, you blast the rock out once and then you have to do it over again for the water.

Hon. Mr. Kerr: Have we had an application from Temagami for water?

Mr. Sharpe: There is some indication that they want water but we haven't got a project now with them for water.

Mr. Bain: Wouldn't it be a good idea to install the water mains at the same time?

Mr. Sharpe: It definitely would when you are in rock.

Mr. Bain: Which is what you are talking about.

Mr. Sharpe: That's right.

Mr. Bain: Could you take a look at that because the project is not going to start until the summer? Could the minister take a look at that?

Hon. Mr. Kerr: If you are talking about another million and a quarter, another million and a half dollars, we don't want to delay the sewage project any more than necessary. I realize there could be some saving by doing them together but, as I say, you are talking more money and we are under severe constraints with our construction budget.

Mr. Bain: Could you take a look at it and if it is such that you would have to postpone the project to install water as well as sewerage, well then by all means go ahead; but could you just take a look at including both of them?

Hon. Mr. Kerr: Yes, I think probably what we could do is suggest to the municipality—the initiative has to come from the municipality—that we work out some figures, work out some savings, and I suppose the consultants would be involved in that, in the event that we went ahead with the water as well. We have made a commitment to ad-

vance this sewer project because of the problems with septic systems and things like that. It's a matter of having the funds in the next fiscal year for both projects. It's quite possible we could go ahead with one and start the other immediately after and it could involve two fiscal years. That may be possible.

Mr. Bain: You will take a look at it?

Hon. Mr. Kerr: Yes, I think we can follow that up and discuss it with the municipality.

Mr. McKessock: Mr. Minister, you are quoted in Civic Magazine in June 1976 as saying we are trying to encourage less use of landfill sites, and I was glad to hear you say just a minute ago that maybe there should be some system of financing set up to encourage other forms of waste disposal. Mr. Godfrey said garbage was a hot issue. We, in our area, as you know, would like to make it a hotter one, and wonder if the government would encourage rural communities to use incinerators. Due to the fact that nobody, of course, wants landfill sites any more, at least if incinerators were used we could cut the landfill site by some 70 per cent. Then the material that would be buried after the incineration process would not be of a nature that would run off and contaminate wells, or Georgian Bay in the case of the proposed Owen Sound-Sydenham site.

[4:30]

In our area we get more than our share of rain and snow. It's just impossible to use a landfill site without some runoff and seepage problems running to the neighbours' farms and water systems. No matter how good a job you try to do of the landfill site, there's just too much moisture available at certain times of the year. The time to inspect these landfill sites is during a rain or just afterwards. When it's nice and dry they look fine.

If this garbage was run through the incinerator it would solve a lot of problems. As I mentioned, it would take only about a fifth of the area for landfill sites and it wouldn't attract rats and seagulls. There wouldn't be the paper blowing around you get now and the ash maybe could be used for some construction materials or some fill that you could make use of. As for the grants for recycling that you offer, Mr. Eric Sanderson, senior environment consultant, is quoted in the same Civic Magazine of June 1976 on recycling. He says: "In almost every case the primary problem is competing with traditional material which may be cheaper and easier to obtain as well as being better suited in many ways to the kind of product being developed."

This suggests that at least one expert doesn't think that it is viable at this time. In view of the desire to reduce the use of landfill sites and the apparent poor outlet for recycling, we are wondering if you would consider at least a programme to reduce landfill sites by encouraging incineration by a grant programme.

Hon. Mr. Kerr: Do you want me to answer that now?

Mr. McKessock: Yes, I wouldn't mind.

Hon. Mr. Kerr: It's a funny thing when you think of it. A few years ago we had incinerators all over the country, these tepee-type incinerators. Then we got concerned about air pollution, and smoke and smell, and we started to clamp down on them and as the first thing municipalities started to move to landfill.

In the meantime, we have advanced somewhat in the type of incinerators that are available now, with afterburners. It is a much cleaner operation, using bulldozers and proper furnacing for incineration, and even some separation. As I say, on the cost, we've got the situation where municipal councils always put garbage collection and disposal at the bottom of that totem pole, after arenas, libraries, roads, schools or what have you. When you tell them there's a choice between an incinerator and landfill and the difference is as much as \$5 a ton, you know what their choice is going to be. The incentive to move to incineration is a restriction on using fine farm land. Then there is the upholding of our requirements and restrictions as to the type of land that can be used, which is considered by the Environmental Assessment Board to make sure there isn't any leaching, that the water tables are not contaminated in any way, that the neighbourhood is not affected by landfill and that the whole operation of that site is going to be in such a way that for the most part you don't know it exists, except for the odd truck going in and out. That is possible.

Mr. McKessock: That's why I mention that in our area, with the amount of rain and snow we get, it seems to be impossible.

Hon. Mr. Kerr: I think the problems we're having with landfill, the amount of objection that's being raised, particularly when one municipality wants to use another municipality for the disposal of its waste, that wouldn't happen if there was regional government.

Mr. McKessock: You mean there'd be incinerators with regional government?

Hon. Mr. Kerr: No, that there's more land around.

Mr. Gaunt: They come with the package.

Mr. Bain: It's only the people that get burned in regional government.

Hon. Mr. Kerr: In our area, as the land increases, as it gets more and more difficult to establish a new sanitary landfill site, for various reasons, municipalities will move to other forms of disposal, whether it's reclamation, recycling, incineration, front-end plants, what have you. Again, we have to assist municipalities. Whether they need more studies or not, I don't know, but we have to assist municipalities in reducing their collection costs. In some municipalities they have a twice a week collection—right in this city, for example. To me that's absolutely unnecessary, because when you have twice a week collection you are encouraging the proliferation and the increase in waste being generated at home and you are, of course, doubling the whole cost of collection.

So with our experiment in Windsor and some direction from us, more encouragement, either directly or indirectly, probably instead of two garbage collections there could be one garbage collection and one separate pickup of paper, metal and glass. That's going on in certain municipalities. Okay, that's the front part.

What is the ultimate disposal method? They're getting the message. I think, albeit rather slowly, but they're getting the message that sanitary landfill sites are not too prevalent elsewhere, and particularly if they have to go outside of their own boundaries all hell is going to break loose. Maybe there will be some incentive to look to other modes of disposal. We're in research, we're in experimentation, we have a grant system now to encourage other modes. I don't know if we can bring these municipalities, kicking and screaming, into a more modern method of handling waste, instead of the pragmatism that exists at the municipal level. Maybe we can solve the problem of sanitary landfill, I don't know. But your average municipal engineer is very cynical about reclamation plants and recycling, and he says, "You throw it on the land or you burn it, one or the other. Never mind getting into these modern, untried types of contraptions that the ministry in Toronto is trying to shove down your throat."

All I can say is that maybe we're going to have to look at our present methods of incentives and financing. We're trying to cut costs, we're under budgetary constraints. But

if the arm-twisting doesn't work, for example—and I'm just using this in a very hypothetical way—if the Environmental Assessment Board says to Owen Sound, "No, you can't go into Sydenham," then Owen Sound is going to come to us and say, "What do we do?" And we say, "Well, why don't you look at incineration?" "We can't afford incineration. It means two or three more mills in the mill rate. We're talking \$12 a ton as opposed to \$5 a ton. We're going to need some help from you." Then we're going to do one of two things: We're going to tell them to go back and impose that extra mill rate and build that incinerator, or we're going to have to get into a new programme; one or the other.

Mr. McKessock: I think now would be the time to get into a new programme—

Hon. Mr. Kerr: You would say that.

Mr. McKessock:—and give these communities a 50 per cent grant on incinerators, the same as you do for recycling plants. I think if a grant was paid existing industries in the town might pick this up as maybe part of their industry, and use it and recover some of that industry. I think this grant will have to be there for these industries to look at that.

I think they might well do that. In the case of Owen Sound industries are set well enough out of the city that they could incorporate an incinerator and not cause any air pollution.

The other thing is: Farmers rely on the sale of their farm to provide pensions for retirement. When a landfill site is located next to a farm the value of the farm is less, the farmer therefore is going to get a reduced pension. He is in effect subsidizing the city garbage disposal cost. In a case like that, what do you suggest farmers do for relief when they are forced to subsidize city garbage disposal programmes?

Mr. Sanderson, in that same article, says: "Large electrical generating stations fueled by refuse and supplying their product to electrical utilities are not likely to become a reality. It is unlikely equipment costs for recovering energy will ever be as low as for producing energy from conventional fuels."

How much money is now spent on the "watts from waste" programme? How much has been spent up to this date?

Hon. Mr. Kerr: We had \$1.5 million there last year; I can give you an idea what was in for the year previous to that, I hope.

Mr. McKessock: Total cost to date; since it started.

Mr. Castel: Approximately \$200,000 plus.

Mr. McKessock: That's \$200,000 plus \$1.5 million in the estimates here.

Mr. Castel: Yes, the total cost of the project is going to be roughly \$24 million, which is set by ourselves and Metro Toronto.

Mr. McKessock: This \$1.5 million budgeted for this year, how is that going to be spent on that programme?

Hon. Mr. Kerr: For what programme?

Mr. McKessock: The "watts from waste" programme; the \$1.5 million that is scheduled for this year, how is that going to be spent?

Hon. Mr. Kerr: The plant isn't started yet, so that is mostly construction cost.

Mr. McKessock: What is the objective of this programme? Is it to recover energy from refuse; is this the precise objective?

Hon. Mr. Kerr: It's to recover energy, to use waste to generate steam and therewith generate electricity. That's basically the proposition.

Mr. McKessock: I'm wondering if I could get a report sent to me on the "watts from waste" project with any findings to date and the projected course of research.

[4:45]

Hon. Mr. Kerr: Wes, do you want to refer to it just briefly; the member may be satisfied with a brief explanation from you. It involves Hydro, the Lakeview plant; instead of using coal entirely some of the generation would be through this special "watts from waste" plant.

Mr. Williamson: The plant is really in two parts. The first part is where the waste is prepared, where the fuel is prepared from the refuse, and this is located in Etobicoke. This specially-prepared fraction of the refuse, which is also dried, is transported by truck to the Lakeview generating station and burned in one of their boilers in conjunction with coal, in the proportion of about 10 per cent refuse dry fuel and 90 per cent coal.

In the first stage of the programme the capacity will be 800 tons per day of refuse, using one of the Hydro boilers, and that will be for an experimental period. Subsequently we may extend it to three boilers.

Mr. McKessock: Thank you. In the budget there is \$7.5 million for acquisition, con-

struction of physical assets. What are these assets?

Hon. Mr. Kerr: The experimental plant in North York is in that figure, at about \$6 million.

Mr. Castel: It is \$6.8 million.

Hon. Mr. Kerr: And the difference is what?

Mr. Castel: There is \$200,000 for the cement kiln demonstration. We have approximately \$150,000 for three design reports; and we had \$100,000 reserved for Sudbury.

Hon. Mr. Kerr: That study in Sudbury?

Mr. Castel: That's right. But most of it is for the experimental plant, \$6.8 million.

Mr. McKessock: There is also \$2 million in the budget for assistance to small communities. What kind of assistance will be given here and what municipalities will be receiving it?

Hon. Mr. Kerr: I would think that would be the programme of assisting with front-end plants, is that right? The \$2 million assistance to small municipalities?

Mr. Williamson: No, Mr. Minister; when this programme was announced originally we realized that if we were building a front-end plant, say in a region like Halton, a large region, the smaller municipalities if they were going to make use of the plant, would incur substantially increased costs for transportation and so on to the plant, this was intended to provide for that. However, when we carried out a study into how this could be done, we found there would be great difficulties, for a number of reasons, partly because of different municipal practices, so those haven't yet been resolved and consequently this money hasn't yet been utilized.

Mr. McKessock: Do you suppose we could get this \$2 million to build an incinerator up in Owen Sound?

Hon. Mr. Kerr: That's a different item, a different purpose, but that's the type of thing I said we would look at, no question about it. We announced a \$500 million, 15-year programme last year and to some extent we are having trouble spending it. We are also having a little trouble getting it, but we are also having some trouble spending it. Any way we can decide that further financial assistance or incentives will get municipalities to move away from landfill I think we should consider.

Mr. McKessock: I appreciate that. Environmental enhancement is receiving \$220,000, what is this project?

Hon. Mr. Kerr: That's the weed harvesting we were involved in up in the Kawarthas; and also Hamilton Harbour where we have an aeration experiment going on. Money is well spent on both of those items. You are not going to take that for your damn old incinerators.

Mr. McKessock: I want to leave incinerators for a minute. The expansion and growth and even holding their own of villages and towns have been badly jeopardized because of delays in sewerage projects. There are about five of them in my riding that have been postponed. Flesherton is one area. They've been talking about it for about 10 years. Tenders were ready to call when this programme was delayed on account of financial restraints. They can't get housing. They have a site for a senior citizens' home. The school has a problem with the septic tank. They are all ready to go to construction. I think this is a priority and the money should be made available for these sewerage projects.

We are in a situation now when we ought to be promoting our small towns and villages. We talk about doing this and discouraging the enlargement of our large cities. We know we have trouble holding the industries we have in our towns right now, and there's no hope of getting more unless we have the facilities there to handle them.

Also in Flesherton, the highway improvement project has been delayed until the sewerage work is done because there is no use putting down a new highway and then tearing it up in another year or two to put in the sewers. At the same time, the prices of these projects are going up and development is at a standstill.

Although the Thornbury water system is proceeding at a slow pace, it is on its way, but they also have a sewerage problem there. Here again they would like to put the sewerage line in at the same time as the water line is going in in Thornbury so that they only have to go down the street once. If they have to wait another year or two to put the sewers in, then the streets will have to be torn up again, and it just doesn't make economic sense to do this. From the way it's scheduled now, the water system will be going in first and then at a later time the sewers will be going in.

Next I'd like to mention the Hanover project. Hanover met with Mr. Sacco about a month ago about their sewerage plant. They asked you to consider doing the engineering

work for it now so that construction could go ahead in 1978. They haven't heard any report back from you yet. Have you got an answer for the town of Hanover on that proposal?

Hon. Mr. Kerr: You're talking about close to \$2.5 million. That has a fairly high MBR rating. We've got money in next year for design and engineering, with the work to be started in the 1978-79 year.

Mr. McKessock: They were asking if you'd consider letting the engineering work go ahead now. They've met with you and they just haven't had a report back.

Hon. Mr. Kerr: I don't know. Was it some sort of an arrangement where they would pay the engineer and we'd reimburse them next fiscal year?

Mr. McKessock: That sort of arrangement could be made, yes.

Hon. Mr. Kerr: The only problem is that you don't really speed anything up if we haven't got the actual capital funds until the following year. You're kind of hoping we'd get that advanced too are you?

Mr. McKessock: Sure. We know the process is very slow at any time and if you can keep it moving at some sort of a pace it helps.

Hon. Mr. Kerr: Of those three, which is the most important?

Mr. McKessock: They are all important. This is why I say in these rural communities I think our priorities are a little bit out when we haven't got enough money to complete these projects.

Hon. Mr. Kerr: That's because we are building all those incinerators.

Mr. McKessock: Incinerators are important too. You may have to steal from other ministries to get this money for something as important as these are. When we get sewage running down the streets it's also a health problem, plus the fact that we can't encourage industry to move into these towns.

Mr. Shore: Maybe the agricultural ministry might give something to it.

Mr. McKessock: Yes, we might pick up a bit of fertilizer.

Hon. Mr. Kerr: In Thornbury we just completed construction on a lagoon system. You've got some money this year for water and there's money next year for water. Are you suggesting we have to expand the sewage treatment facilities now?

Mr. McKessock: The sewage pipeline. I am suggesting that they should go in at the same time as the water lines are going in so that you don't have to dig the streets up twice.

Hon. Mr. Kerr: The collector system, that sort of thing.

Mr. McKessock: Efficiency.

Hon. Mr. Kerr: Yes. Okay. In Flesherton—Bob, there's not quite the urgency there that I can see from our MBR ratings. What is this, water or sewers? This \$2 million for sewers. We had \$1 million in for this year. What happened to it? Did we spend it?

Mr. Godfrey: Did you lose it?

Hon. Mr. Kerr: I'm sorry, it wasn't approved for this year. The MBR is just 285 and I am assuming that it is sewage because of the cost. I would assume from this that your individual septic systems are not quite the problem you have indicated as yet.

Mr. McKessock: They are scheduled for a later date, the sewage system. I know the water system comes first. I was just recommending that the sewage system be allowed to go in at the same time as the water system.

Hon. Mr. Kerr: You were talking about Thornbury, weren't you?

Mr. McKessock: Thornbury, right.

Hon. Mr. Kerr: You mentioned Flesherton to me and I am just saying that it isn't high priority.

Mr. McKessock: Flesherton?

Hon. Mr. Kerr: No, it is not going to get under way until 1978-79.

Mr. McKessock: Yes, but it's high priority to Flesherton.

Hon. Mr. Kerr: And to the local member.

Mr. McKessock: That's right. They can't go on with any further housing, and as I say, a senior citizens' apartment. Once the sewers are scheduled to go in they hold everything up until they go in. If they didn't have any at all they would probably be better off.

Hon. Mr. Kerr: They probably would put in septic systems or holding tanks.

Mr. McKessock: That's right, but the system is scheduled and it has been talked about for 10 years now and it's ready to go to construction just as soon as the government says the word. Again, as I say, they aren't touch-

ing the highway project until the sewerage projects are going to go in because again they don't want to tear up the roads twice. At the same time, I can't see the efficiency by putting these off because the costs are going up so much every year. The sooner they get them done the better. The main thing with these small communities is to get it done so that they can continue to grow a wee bit. It's quite evident that if they don't grow a little bit they die.

[5:00]

Hon. Mr. Kerr: Yes, that's right. If you are talking about a subdivision, a registered plan of subdivision, there may be some way where, as we've done with some other municipalities, the planning can go ahead, the streets, curbs and this type of thing, and even the construction; but no connection until the plant is ready to treat some of this waste, until we're along in the construction of a sewage treatment plant. I'm thinking of the Flesherton area.

Mr. McKessock: Flesherton is going to have a lagoon. You are well aware of the other two communities, Meaford and Neustadt, where they can't sit outside in the summertime for the smell in certain streets. It's the same problem. They're efficient enough to know that they shouldn't repair the roads until the sewers are done. These projects are already to go to construction just as soon as the money is available.

Hon. Mr. Kerr: In Meaford we've done engineering this year and we'll be ready to go to tender next year.

Mr. McKessock: Somehow this needs to be stepped ahead and the money to become available. These should be put at a greater priority than other things that are happening that don't appear to be as great a priority as these are.

Hon. Mr. Kerr: Maybe we can get some money from the Provincial lottery.

Mr. McKessock: Right, a good idea.

Hon. Mr. Kerr: Change the terms of reference; let that big ski resort go ahead up there, maybe we can take \$2 a tow ticket and put it toward services.

Mr. McKessock: Yes, or get them Wintario.

Mr. Shore: Mr. Johnson said he would give up his allocation for next year.

Mr. McKessock: Thanks for those comments. I would certainly appreciate what

you can do to move these ahead and proceed in the spring.

Hon. Mr. Kerr: I know I'll be hearing from you regularly.

Mr. Chairman: could we have a five-minute break? And it's not just to have a smoke.

Mr. Chairman: Okay, a five-minute break. We'll be meeting again at 5:10.

The committee recessed for five minutes.

On resumption:

Mr. Chairman: Mr. Williams is replacing Mr. Shore. Mr. Williams.

Mr. Williams: Thank you, Mr. Chairman. I want to spend the rest of the time available to us applying a Metropolitan Toronto perspective to the crisis we see confronting us in the Metropolitan Toronto area as far as solid waste disposal is concerned. As I started out to say the other day, and in so doing stated the obvious, that there are really only three main sources open to us as far as disposal of solid waste is concerned: One is to burn it, another is to bury it and then, of course, there's a variation on that which is to bury it at sea. The fourth one that has recently emerged, of course, is reclamation or recovery of waste, which, in itself, offers a part solution.

As far as the option on the burying is concerned, that is the burying of refuse at sea, I think this is out of the question. I can't foresee the day that the Great Lakes would ever be used for that purpose. So when we talk about burying solid waste we're talking, of course, about landfill.

I'd like to, first of all, give a brief background picture to this, not that you're unaware of this situation, but in order to put the whole matter in perspective and touch on the current issues and crises as I see them and as I think other Metropolitan Toronto representatives may perceive the situation at this point in time.

Mr. Minister, as you are well aware, not only during your tenure in office as the Minister of the Environment, but I'm sure long before that, you too, living near the Metropolitan Toronto area, have been aware of the fact that, in fact, Metro Toronto, as far as its elected representatives are concerned, has been in somewhat of a state of crisis with regard to refuse disposal for the past 20 years. The initial problem revolved around the fractured type of municipal government that we had within the Metropolitan Toronto complex, which, of course, meant

that each individual municipality was endeavouring to cope with the situation on an individualized basis. It wasn't long before they realized that they just were not individually capable of dealing with a problem of this magnitude.

So it was after about five or six years of effort that the individual municipalities, as you know, finally after having had the Metropolitan Toronto government assist them on a voluntary basis to manage and complete the dozen or more landfill sites that were in operation throughout Metro at that time, it was after that, in 1967, as a result largely of the Goldenberg commission report, that the Metropolitan Toronto government was given the sole responsibility for refuse disposal in the Metropolitan Toronto area.

In conjunction with Metro assuming that responsibility, it commissioned a study to be undertaken and, in doing so, engaged consultants in March of 1966. Of course, it was the MacLaren firm of consultants that was hired. They came forward with a rather comprehensive report on every aspect of refuse disposal within the Metropolitan Toronto planning area, as it then was, for the next 20-year period. It's interesting to note that that report has, in fact, stood the test of time as to its prognostications, as to its predictions and as to the information contained therein. The projections at that time were not too optimistic, because the consultants made it abundantly clear in their report that the Metropolitan Toronto area was living on a limited time factor as far as fulfilling its needs into the foreseeable future, with regard to solid waste disposal.

The only facilities that the Metropolitan Toronto corporation had available to it in those earlier years, from 1967 on, were the two major landfill sites in the northwest, Thackery landfill site, and in the northeast, the Beare Road landfill site. They were supplemented, and I use the term supplemented advisedly, by a number of existing incinerators in the Metropolitan Toronto area, the majority of which were archaic, outdated, outmoded and not in keeping with the standards that were being laid down by your predecessors in the Ministry of the Environment, as far as meeting environmental needs were concerned.

[5:15]

So in fact what the Metropolitan Toronto area, with a population in excess of two million people, was straddled with was the fact that they had two major landfill sites and they had three—I stress the term three—only three incinerators. Of course we had

the Commissioner Street facility, which has since been refurbished at a cost of not less than \$9 million; we have the Ingram facility, which was the borough of North York's first venture into the field; and then subsequently the building of the Dufferin Street incinerator, also in the borough of North York, which is I guess the most modern facility, and the only facility that in fact has been built from the ground up in the Metropolitan Toronto area in the past 20 years.

In fact I happened to be a member of the North York council at the time when we, from that perspective, saw the urgency of the situation. I was heavily involved, and in fact chaired the committees which initiated the construction of the Dufferin Street incinerator before the responsibility of the same was handed over to the Metropolitan Toronto corporation.

So back in the early 1960s we recognized the fact that we were, to use the common jargon, being boxed in through lack of facilities to serve the Metropolitan Toronto area; not just parochially, the local borough of North York but all of the component units of the Metropolitan Toronto area.

At that time, however, there seemed to be some light on the horizon because Metropolitan Toronto corporation was taking its own initiative in applying for the necessary approvals, zoning, environmental and other related approvals, to build another major incinerator in the southwest end of Metro, which of course was the Kipling-Horner Avenue facility. In fact after protracted negotiations and hearings before the Ontario Municipal Board, a tentative or qualified approval, as you know, was given to that rather substantial proposal, which, as I understand, at that time would have cost in excess of \$20 million; because that, again, would have been more up to date and sophisticated than the North York Dufferin Street incinerator. Sophisticated and up to date in that, as I understood, it was to have not only the conventional components of a large, modern incinerator facility but reclamation facilities built into it as well.

However, that was not to come to pass, or at least it hasn't; I'm still optimistic, however, that it will in the near future. In the meantime, because of certain direction and emphasis given to Metropolitan Toronto officials by your predecessors, by this ministry, it was suggested that new directions be taken in the matter. That direction was related to rail haul and the terminal points on those rail hauls, which of course were landfill sites.

I guess it was in 1974 when the Metropolitan Toronto chairman at that time found that that light at the end of the tunnel was not to be. While the concept had been approved, while it had been costed out, and while one of the national rail companies had in fact tentatively been selected to provide the rail haul service, it turned out, through the actions of this ministry and government, that the landfill facilities to accommodate the solid waste material were being taken off stream; and of course that was the projected and hoped-for Hope facility.

As a result of that shift in position by the ministry, if I can use that term, Mr. Minister, the new avenues the Metropolitan corporation thought had open to it were no longer available to them. It had been suggested to them,—they were told—that they not build the west end incinerator, that this new option would be open to them; and then it turned out, shortly after that, that that avenue also was closed off to them.

None of this, of course, is new or unknown to you and your officials, the ministry as a whole has been most aware of, and no question concerned about, the difficulties that have been arising because of lack of adequate facilities, not only the immediate but in the short term. When I say facilities, I am referring to (a), incinerators; and (b) adequate landfill sites.

It is my understanding, Mr. Minister, that the incinerators we have operational in Metropolitan Toronto today can accommodate not more than 25 to 30 per cent of the solid waste that is being brought into existence in a given year. We're presently up to approximately two million tons of solid waste material a year being generated by the population of Metropolitan Toronto. If in fact these existing incinerators can only accommodate 25 to 30 per cent of this refuse, then obviously we're becoming much more limited in the options. It is recognized at this point in time that 40 per cent, approximately, of the waste disposal is being handled through conventional landfill facilities.

Thackery Road is virtually completed; the Beare Road site, I gather, will be completed and finished off, for all intents and purposes, in the coming year, and may well be virtually exhausted now, we're virtually at that point. In fact if it hadn't been for the Pickering site coming on stream—at least in part, and I'm speaking of the Brock west phase of the project—Metro as of the first of this year coming, 1977, just would not have the facilities for disposing of its total amount of garbage on an ongoing, day-to-day and week-

to-week basis. You're fully aware of that, in fact more so, I'm sure, than most of us, Mr. Minister.

One of the problems that's heightened the one I've been referring to, of course, is that even with the Brock west facilities and the Pickering site as a whole, the 20 million tons of garbage that were anticipated to be available to be dumped into that site over the next four or five years, has been reduced to about two thirds of that capacity, that is some 13 million tons of garbage, because of the constraints imposed by your ministry on the use of that site, thereby again shortening the expected term or duration of the use of that facility, I would think by at least a year, possibly two years.

Mr. Minister, through these hearings if you will, through the estimates, you have been referring at great length, and I think justifiably so, to the number of experimental programmes that your ministry is bringing on stream, experimental in the sense of solid waste recovery programmes. You have referred on a number of occasions to the newest most sophisticated facility. In fact, a news release was issued by your ministry on November 26 with regard to the new Downsview resource recovery plant. Undoubtedly, that is going to go a long way in trying to relieve the pressure that is building for facilities to meet the immediate and short-term needs of Metropolitan Toronto.

However, I must stress, because this is where the crux of the problem lies, that no one is suggesting that the facility is other than research at this point in time. Its performance has yet to be tested, and how efficiently it will perform has yet to be determined. It has been stated by you and your ministry that this new experimental plant will provide a transfer station for Metropolitan Toronto which will transfer up to 800 tons of garbage per day, while the resource recovery facilities within that plant will process approximately 600 tons of waste a day in two 300-ton shifts.

I think those statistics alone tell the story in that the bulk of the garbage taken to that experimental plant will still be handled in the conventional fashion. Over half of the garbage taken to that facility will be transferred from that station, I presume, to our existing landfill facility. Far less than half of it will be reclaimed under the new experimental programmes that that plant was designed to accommodate. It has been mentioned on several occasions that Metropolitan Toronto with the assistance of this ministry has been building new and more sophisticated

transfer stations that will handle a greater capacity of garbage. In referring to those and talking about them at length, it doesn't really come to the crux of the problem, which is that transfer stations are simply facilities to relay garbage brought there by smaller units to be taken by large units to a landfill site for burial.

Hon. Mr. Kerr: Or to a reclamation plant or an incinerator.

Mr. Williams: The fact of the matter is that reclamation is on the short side of the percentage figures that exist with regard to that facility, which is the only new one on stream and about to go into operation. The bulk of it will be handled, as I'm stressing, in the conventional fashion, when it's transferred from there. I doubt it would be transferred from there the short haul over to the Dufferin incinerator, so I presume that the bulk of those 800 tons a day will—and I'd like a comment on this by your staff people—be going into the landfill sites rather than into incineration.

It would appear inappropriate for the bulk of that tonnage being brought up to the Downsview site to be shipped those few blocks over to the Dufferin incinerator. It might as well be taken directly to the Dufferin incinerator. This leads me to believe that that will be virtually almost all taken to landfill sites rather than to incinerators, otherwise they would be taken directly there because of their close proximity to this new facility.

[5:30]

The other project that is on stream is your "watts from waste" which is one that has been, properly so, highly touted by this government and by your ministry. However, I do wish to point out that the bulk of the cost of that experimental facility is to be borne by the Metropolitan Toronto corporation. I believe of the \$15 million projected cost initially, that \$10 million of it will be Metropolitan Toronto's responsibility. In fact, the senior level of municipal government has a very heavy financial stake in that particular project, which is yet to get off the ground.

There is the other recovery programme that is proposed for the downtown central core of Toronto, to again convert waste into heat and provide heating facilities for the downtown centre, which is still, as I understand it, basically on the drawing board and is yet to go on stream, and the likelihood of it being operative within the next three or four years, I would say, is being optimistic at best.

Again, I would like to have staff comment on that.

What concerns me is that all of these new projects, these sophisticated projects that involve an element of waste recovery, are the direction that we must be going. We all concede this, but what is not being conceded or admitted to, I suggest, is the magnitude of the cost, the magnitude of the size of these individual projects, the time that it will take to get them off the ground, the time that it will take to get them built and into operation, is running against us to the point where the intermediate period is going to leave us in a hiatus.

Even with those four facilities that are being proposed—"watts from waste," the new Downsview facility, the downtown facility, and one that I understand is being proposed out in the region of Durham—those facilities combined, according to the new waste management study that has been released within the past two or three weeks and was also through the effort of Dillon and MacLaren on a joint consultative venture basis, points out clearly that when all those facilities, whenever they might be built, are operative, they will account for not more than 50 per cent of the waste removal in Metropolitan Toronto.

I have to accept those facts and figures as being realistic, based on extensive research on the matter. I understand Mr. Williamson from your ministry is most conversant with that new waste management study and he may well want to comment and confirm or otherwise the observations I'm making here this afternoon. Apparently that study simply reinforces what MacLaren said 10 years ago in their study that was produced for the Metropolitan Toronto corporation—that the conventional facilities, incinerators, and landfill facilities, at the rate they are being made available to us, will not see us past 1981. Yet it's becoming more and more apparent that these new waste recovery facilities that contain a combination of the conventional and the new will not be totally on stream and operative until well into the 1980s. Who is going to be responsible for taking up the slack?

At the present time, based on the stance taken by this ministry, the only landfill site available to carry us through that period is the Pickering facility. The only other one that appears to be under consideration at the moment and which is vested in the private sector is the Maple site, which is the subject matter of hearings that are going on and, I understand, are almost complete. But at this point in time, the public sector at the municipi-

pal level is not involved in that only other alternative potential site within reach of Metropolitan Toronto.

The Maple site, even if it is approved by this ministry, is at best at the moment a question mark as far as its availability to the Metropolitan Toronto corporation is concerned for disposal of refuse that accumulates in this area. It is well known with the total limits of the Pickering site that 1981 is the projected useful period for that site. At this point in time, I don't see how it is physically possible to breach the gap between the demand and supply situation, bearing in mind the high cost of these new recovery facilities that are being proposed but which are far from being completed and operative in the majority of situations and the limited amount of conventional outlets we have available to us.

It seems to me that either the Metropolitan Toronto corporation has to be given some encouragement to reactivate the Horner-Kipling incinerator facility or to expedite its research with regard to potential existing landfill facilities within or within the proximity of the Metropolitan Toronto area. It would appear that the 10-year period from 1980 to 1990 is going to be the real crisis period. It appears that these new recovery facilities will not be built and operating long enough really to know how efficient and effective they are.

In any event, the ones that have been proposed, as indicated in my earlier comments, will deal with only 50 per cent of the projected waste that will be generated in the Metropolitan Toronto area in any given year so that means that there will be a continuation of applying the new technology with continuing use of the conventional methods of incineration or use of landfill facilities.

Your staff people know that the new solid waste recovery projects that have been built in other jurisdictions have not proven to be as effective as had been anticipated. I can say that situation exists without exception and, from the nod of your head, I gather that you can see that point. It is going to take a lot of research over and above the basic proposals that are being put forward at this time to improve upon them to the point where they can become more efficient and can thereby justify the tremendous cost that has to go into those types of facilities. I will hasten to state that you, and I think all of us, would prefer to see a new technology completely take over this problem of waste disposal.

However, looking at it realistically, based on some of the statistics that I brought

forward as they relate to the Metropolitan Toronto area, I think realistically one cannot say at this point in time that these new ventures at the initiative of your ministry are going to totally solve the problem. This ministry has got to work in a co-operative vein, as it has been but continue to do so more aggressively, with the Metropolitan Toronto corporation in providing or making available in the immediate future new directions as far as either: (a), additional landfill sites; or (b), unqualified approvals for the construction and operation of newer more sophisticated incinerators.

It was indicated that the Kipling-Horner facility alone, if built, would accommodate 20 per cent approximately of the solid waste generated within Metro in a given year. That would be a tremendous step forward, to provide that type of facility.

Obviously, for a metropolitan area of this size, with this type of population, the three existing incinerators alone cannot cope with the situation. As I indicated at the outset, 25 or 30 per cent of the total refuse is being handled in that fashion; 40 per cent was being handled by the Beare Road site and I guess the bulk of it had, up until now, been handled through the Thackery site.

The ministry very recently, recognizing the nature of the crisis, finally did expedite its research with regard to the Pickering site and freed up that facility, and none too soon, Mr. Minister, none too soon.

In highlighting the nature of the crisis, regardless of what may have been said by others who look at it with a different perspective, I think that landfill sites will be with us for some period of time until the new technology can prove that it can cope totally with the problem.

It has not been demonstrated, it has not been proven that it can. Consequently, the next 15-year period is going to be one of crisis, through which period of time we are going to have to apply the conventional techniques in conjunction with bringing on stream these new facilities. You cannot totally abandon, I suggest to you, the conventional approaches for disposal of solid waste and opt in solely for the new facilities. It's unrealistic and cannot be accomplished within the time frame that I have been referring to.

I would hope that more specific direction will be forthcoming to assist the Metropolitan Toronto corporation, which has the responsibility for handling refuse disposal within the Metropolitan Toronto area for all of the

local governments that are constituent members of Metro.

The problem is not going away, as you know. It's growing daily and is increasing. Until these new directions can be more clearly spelled out for the Metropolitan corporation, we are going to be living on a day-to-day basis, which I don't think is the proper way to proceed when dealing with a problem of this magnitude.

Having made those comments, Mr. Minister, I would like to now allow time for your response. I would like, in particular, to hear Mr. Williamson comment on the new waste management study, to give some credence or confirmation to the shortfalls that I outlined statistically to you, as again reconfirmed in this report, and to learn from you, if I can, what particular attention is being given to this Metropolitan Toronto need and crisis.

[5:45]

Hon. Mr. Kerr: Mr. Chairman, Mr. Williams has given a very good summary of the situation in Metropolitan Toronto, talking about incinerators and sanitary landfill sites and some studies and reports that have been available. I can recall back in 1971 and into 1972, that the rail haul proposition was quite hot at that time. Both railroads were interested in this proposition, whereby, with proper transfer stations set up and some compressing or baling of garbage, they were prepared to enter into a contract to haul Metro's garbage to various locations outside of this area.

At that time, I think the hon. member may remember that I think we had a comment from the mayor of Sudbury that no way they were going to handle Toronto's garbage. At that time we were looking at sites around Wiarton or Alliston, places like that, probably in Mr. McKessock's riding. In any event, it created the same type of reaction that new proposals for sanitary landfill create in many regions or parts of the province.

The idea, to me, was good. It meant that you wouldn't have the truck traffic, for example, that is associated with a sanitary landfill site, you wouldn't have the dust, and the noise wouldn't be any more than would exist from the ordinary operation of a freight train through a community. If you've got rail, you've got stations, you've got sidings and you've got the ability to move the garbage from the cars to an approved industrial area, then to some extent it seemed to make some sense, but it fell through mainly because of local opposition and because it was associated, as I say, with landfill.

I can recall back in those days that we were also having great troubles with the incinerators in Toronto. I think there were four of them at that time, and three of them were emitting contrary to our standards, and that is why there was some discouragement in building the expensive one that you mentioned.

Mr. Williams: I trust you're not speaking of the Dufferin Street incinerator? There was no objection to that.

Hon. Mr. Kerr: Kipling-Horner. There was a substantial amount of money spent in rebuilding or refurbishing. I guess the—what?

Mr. Williams: The Commissioner Street one.

Hon. Mr. Kerr: The Commissioner Street one, yes.

Mr. Williams: In excess of \$9 million that one was.

Hon. Mr. Kerr: We had the Goldenberg report. Whether that really told us any great news or not, I don't know. Its statistics dealing with the present situation and projected quantities of garbage are all quite accurate, but at that time, because of the cost mainly and because of the problems associated with incineration at that time, it is quite possible that the ministry didn't encourage Metro to build the Kipling-Horner west end incinerators.

You mentioned that Metro generates about two million tons per year. I may have your percentage figures incorrect, but you suggested that incineration would look after about 30 per cent and I thought you said the experimental plant would look after about 40 per cent.

Mr. Williams: No, no.

Hon. Mr. Kerr: I have that wrong, have I? I'm talking about the two of them now, "watts from waste" and the Downsview plant.

Mr. Williams: No. When I was speaking of incinerators handling about 30 per cent of the overall solid waste in Metro, I was referring to the existing conventional facilities, the Ingram, Dufferin and the Commissioner Street facilities. I wasn't referring to the new ones or the experimental facility.

Hon. Mr. Kerr: I'm not sure whether or not we encouraged landfill at that time. But, as you know, the problem was that for landfill Metro had to go outside its boundaries pretty well. Frankly, the ministry officials thought that the Hope proposal would go, that that was a good proposition. However,

there was opposition and I guess the Environmental Hearing Board at that time turned down the proposal. Was that it, about a year and a half ago?

Mr. Sharpe: They never sat on it.

Hon. Mr. Kerr: They never sat on it?

Mr. Caplice: They were in favour.

Hon. Mr. Kerr: Oh, that was it.

Mr. Williams: Which was that?

Hon. Mr. Kerr: In Hope township it went to the board; they recommended it and it was turned down.

Mr. Caplice: By the ministry.

Hon. Mr. Kerr: By Dennis Caplice.

Mr. Caplice: Very funny.

Hon. Mr. Kerr: It must have been a policy decision of some kind.

Mr. Williams: It was approved locally but turned down by the ministry, is that correct?

Hon. Mr. Kerr: Do you mean by Hope township? No.

Mr. Williams: I wanted to be correct. That was approved and then locally it was turned down.

Hon. Mr. Kerr: Yes. I can see what you're driving at. Even with our efforts in "watts from waste," the central heating system proposal and our experimental plant, we may by the early 1980s be in a bind in Metro as far as the disposal of solid waste is concerned.

Mr. Williams: I don't think it's a question of may. I think we will be.

Hon. Mr. Kerr: The only thing that I would point out is that hopefully, "watts from waste" will be under way. We're talking about 800 tons per day for that facility and I guess about the same for the experimental plant. The experimental plant, as I say, by the 1980s may even be in excess of that, particularly if we're utilizing it completely and maybe with some back-end additions.

The remedy you are suggesting, that we allow Metro to go ahead with another incinerator, involves \$40 million to \$50 million a day for a thousand-ton-per-day incinerator.

Mr. Williams: State that again—\$40 million to \$50 million a day.

Hon. Mr. Kerr: No, a \$40 million to \$50 million cost for a thousand-ton-per-day incinerator. I would think that Metro would be more interested in getting ahead with the central heating system, with the "watts from waste" plant and possibly some front-end

plants, rather than that type of an expenditure.

Mr. Williams: I can't speak for Metro, of course, on this matter, although I'm sure they would be rather concerned that they would pump equivalent types of money like that into experimental undertakings, as compared to the conventional type of facility, when the crisis is so immediate. It seems to me that you go with what you know works to bridge the short-term period and opt for experimentation in conjunction with it, but not as the front-end solution to the problem. You can't afford to experiment when we're living on such a short fuse.

Hon. Mr. Kerr: We're on the eve of 1977. The experimental plant, the Downsview plant, hopefully by this time next year will be handling waste. I don't know what the timing is on "watts from waste" but we have to have a little more co-operation from both Metro and Hydro to get this thing under way. There is no hold-back on our part, no lack of funding on our part. It's a matter of getting the necessary agreements signed and getting the project under way. If all the Metro officials are as concerned as you are about the future I would think there would be a little more encouragement from the Metro works council particularly. They just don't have a concerned or anxious look about them.

Mr. Williams: Let me ask you this, Mr. Minister—it was two years ago when the OMB approved the Kipling-Horner incinerator, qualified to look for options, the options fell through because the Hope township site was cancelled and the rail haul project went out the window; that was more than two years ago—now, if Metro council came back to you and said "Okay, the qualification of that approval has produced exactly zilch, can we now proceed without the qualification?" what would your ministry say today?

Hon. Mr. Kerr: I don't know. I don't want to try and interpret the thinking of my ministry at that time, but Metro apparently wanted to go ahead with conventional means of disposing of their waste.

Mr. Williams: That's right.

Hon. Mr. Kerr: Maybe you consider the rail haul unconventional.

Mr. Williams: No, it wasn't.

Hon. Mr. Kerr: It's conventional.

Mr. Williams: That was a valid alternative.

Hon. Mr. Kerr: We just feel that at least a part of Metro's disposal programme should be unconventional, should be new, should be looking to new modes of disposing of waste, whether it's recycling, reclamation or what have you.

Mr. Williams: I know that Metro is prepared to share in that programme. No question about it.

Hon. Mr. Kerr: That's fine. That's the type of urging that we were getting into, knowing the problems Metro is going to have in disposing of waste outside of its boundaries, and we felt that the programme they suggested prolonged even longer any moves toward the idea of research or recycling or reclamation or refuse-derived fuel systems or anything of that kind.

Maybe we misled Metro. Maybe we should have left them alone to some extent. It would appear from your remarks that our meddling has resulted in a situation where we may be faced with a real crisis in three or four years. I don't know.

Mr. Williams: We are in it.

Hon. Mr. Kerr: At least, as you say, we've got the Brock site available and that, of course, has caused a great deal of controversy. Hasn't it?

Mr. Godfrey: Not compared to what's coming.

Hon. Mr. Kerr: You mean Maple? Yes. Of course, you recognize the fact that it is a private project and maybe you shouldn't even consider it in your inventory. I don't know.

Mr. Williams: We can't.

Hon. Mr. Kerr: That's right.

Mr. Williams: But I hope it is approved. So that we can—

Mr. Godfrey: Any sites up in Oriole?

Hon. Mr. Kerr: In any event—

Mr. Williams: Our colleague can be facetious if he wants to be, Mr. Minister, but this is a crisis that is not going to go away by talking about highfaluting plans that have not yet proven themselves. I think we've got to find the ways and means of coping with it in the interim.

Hon. Mr. Kerr: I've got some sort of quick solutions here. Let's get ahead, as we are, with the experimental plan. Let's get ahead with the "watts from waste" plant. Let's get ahead with a programme of reducing waste at

source. I know Metro is behind our efforts in the ministry as far as throwaway containers are concerned, but what about one garbage pickup a week instead of two garbage pickups a week. When you have two garbage pickups per week you encourage the proliferation and generation of waste. Let's hit the home owners, let's hit the kitchen, let's hit people who generate waste.

[6:00]

There was no encouragement to reduce waste at source in Metro's programme. It just looked at the whole programme and said we need more incineration, we need more landfill, we need space outside of Metro to dispose of waste. So as well as that, we have front-end plants that Metro can get involved in, and even more plants resulting from whatever efforts or whatever results we have from our reclamation and experimentation plan.

I don't see how, and I'm sure the Robarts commission that's involved in this will be making some recommendations, but I don't know how we can encourage more landfill when you know the situation, the public reaction in respect to landfill.

Incineration; frankly I prefer that over landfill, and if an inventory by our ministry, or if the Robarts report indicates support of

your submissions and your premise, it may be that an incinerator will be required. I don't know if it will have to be the size of the one proposed here, but with the modern technology available for incineration, this may be required as part of Metro's inventory if we're going to bridge that gap between what is available and what will be necessary.

I just feel there was lacking, in Metro's programme, a feeling of urgency for new methods to handle waste and dispose of waste. If for example a proposed new incinerator—

Mr. Chairman: It's now 6:04 p.m.

Hon. Mr. Kerr: Just let me finish this sentence: If a proposed new incinerator could in some way incorporate either resource energy reclamation, or some type of—

Mr. Williams: That is what the Kipling plant was designed to do?

Hon. Mr. Kerr: Yes; that, to me would make it even more acceptable.

Vote 1904 agreed to.

Mr. Chairman: This concludes the estimates of the Ministry of the Environment.

The committee adjourned at 6:05 p.m.

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Ministry of the Environment officials taking part:

Barr, J., Assistant Deputy Minister, Regional Operations and Laboratories Division
 Biggs, E., Deputy Minister
 Caplice, D. P., Director, Environmental Approvals Branch
 Castel, A., Director of Programme, Planning and Evaluation
 Cockburn, P. G., Director, Central Region, Regional Operations and Laboratories Division
 Foley, P., Co-ordinator, Development and Research Group, Pollution Control Planning
 Fry, J. G., Assistant Director, Northeastern Region, Regional Operations and Laboratories Division
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SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF
INDUSTRY AND TOURISM

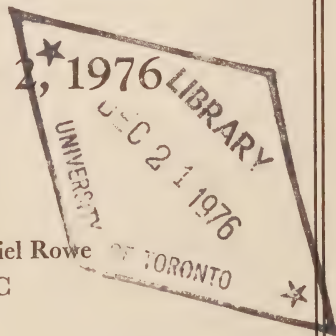
OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, December 2, 1976

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

THURSDAY, DECEMBER 2, 1976

The committee met at 9:10 a.m.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM

On vote 2108, Ontario Place Corporation programme:

Mr. Angus: I would like the minister within the confines of any legal advice to advise us on the course of events relating to the situation at Ontario Place.

Hon. Mr. Bennett: Without trying to avoid any questions that might come, the legal advice that has been given to me is that since the whole case now is before the courts, with at least more than one person involved, it would be best that we handle it very delicately. I give a great deal of credit to Mr. Maxwell and to the internal auditing staff of the Ministry of Industry and Tourism and those at Ontario Place for having discovered the situation. I realize our own police force and the OPP were involved at a very early stage and they now have secured sufficient information and evidence to process some charges which are now pending before the courts. With that, I think I should hold any further comment in case it could jeopardize any positions that they have taken to this point.

Mr. Angus: I wanted to bring up one other thing of a very minor nature. There was a letter in one of the Toronto papers last spring or early summer relating to senior citizens and the fact that the signs at the entrance to Ontario Place had senior citizens free, except really what is meant was Ontario senior citizens free or Canadian senior citizens free. Has there been any effort made to make a change on those signs indicating the fact that it is only certain senior citizens that are admitted free of charge?

Mr. Maxwell: Changes will be made for the next season. We realize there was an error in signage that allowed all senior citizens, regardless of their country of origin, to enter Ontario Place without charge. This

will be changed to comply with our policy of Ontario residents.

Mr. Angus: So then residents of other provinces would not be admitted free.

Mr. Cassidy: Can I just raise one question on that? I imagine many of the senior citizens who come from other countries are visiting as grandparents of people who have lived in Ontario and contributed to its taxes and so on for many years, or are in some other way related. I imagine other ones are tourists who come up to Ontario because they have heard what a great place this is. I imagine the number of senior citizens who actually fall in the categories of being foreign, unrelated to people here and very rich is actually very limited. Wouldn't it be nice if you simply kept the signs as they were and extended the policy as a courtesy to allow senior citizens from other parts of the world and other provinces to come into Ontario Place without charge? Perhaps the minister could answer that since it is a policy question.

Hon. Mr. Bennett: I think the situation is that you are back to the same problem that you can let everybody in free and not worry about who pays the ultimate freight. The board has thought about it over a period of time and I am prepared to suggest to Mr. Maxwell to take it back to the board for further consideration. I don't know what dollar volume comes as a result of that particular group of people. We just try to keep some degree of balance so that somebody is paying to come into Ontario Place.

I'll tell you there are certain people within our society in our province of Ontario population who get a little vexed about the fact that those that are not taxpayers in the community do use some of the facilities on a free basis. We try to keep some degree of balance here. I am not speaking now from a point of information or knowledge, but it would surprise me very much if that situation of a free entry for senior citizens of Ontario visiting the United States in some locations is extended to them. I'd just say that if the

board wants to give it some reconsideration and gives us some idea of what we are talking about in dollars and cents, I would be prepared to look at it.

Vote 2108 agreed to.

On vote 2109, industrial incentives and development programme:

Mr. Angus: I think most of my line of comments and questions this morning will be relating to one primary aspect of the development corporation, that being the NODC role in Thunder Bay Ski Jumps Limited. I had discussed with the Liberal critic the fact that if we could initially confine the first part of this vote to that subject, then I would be happy to give up my continuance at that time for other questions relating to the jumps. As the Liberals are not here, it is hard to say whether that will come into effect. Maybe some of the Conservative members may have questions as well. I would be prepared, upon conclusion of my line of questioning, to give up my time for other areas regarding these jumps.

I realize that for a lot of these questions I am going to be asking the circumstances surrounding them occurred before you became the minister. On what date did you become the Minister of Industry and Tourism?

Hon. Mr. Bennett: January 15, 1973.

Mr. Angus: How was the jump site chosen?

Hon. Mr. Bennett: The jump site was chosen by a group of private citizens from Thunder Bay. At the time they made an initial presentation to cabinet, I believe in late 1971 or early 1972. If you go back, you will find that that committee was made up of people who had been somewhat closely involved in ski jumping, both from a Canadian point of view and from an international point of view. They had been people from the Canadian Ski Association as well. For some reason, they had come to the determination that a location in Ontario, and more specifically that location in Thunder Bay, appeared to have the geographic topography situation that was essential for a good ski jump.

Mr. Angus: When they appeared before or made the presentation to cabinet, did they indicate those specific geographic situations that led them to choose that particular site?

Hon. Mr. Bennett: I will have to call on somebody else who is more knowledgeable because I wasn't there at the original presentation.

Mr. Angus: I appreciate that.

Hon. Mr. Bennett: Maybe Mr. Rodgers or Mr. Joyce could tell us whether they even appeared before cabinet. That is not my recollection.

Mr. Joyce: As far as I know, they didn't. Mr. King is here. Mr. King, were you in at the start of this?

Mr. King: No, I didn't get into it until it was a fait accompli.

Hon. Mr. Bennett: I will look into the situation. I don't think they came before cabinet. They were in the process, if I recall, Mr. Rodgers and Mr. Joyce, of incorporating themselves and had made an overture to the government through the Development Corporation for funding of a ski jump that would house not only a Canadian national ski-jumping team, but would also be of sufficient capacity and challenge that other national ski teams, principally the United States, would make use of the facilities. The project then proceeded along to where they had selected the site. There had been, I believe, privately some preliminary examinations carried out on the hill and on the location. It would be wrong to say there had been any work commenced, although I think there had been some surveys, but I don't think physical work had commenced prior to their approach to the government. I stand to be corrected.

Mr. Angus: Do you mean in terms of actually building the jumps?

Hon. Mr. Bennett: There is more than just building the jumps. The first thing was to make the rock formation such that it would accommodate the base and so on.

Mr. Angus: I appreciate that. That is what I meant in terms of building the jumps. I meant everything, when you start physically moving things. That is part of the construction process. Basically, the group structured itself initially. Yet it is my understanding that the government of this province actually either appoints or recommends that so many of the nine directors be appointees of the province. Is that correct?

Hon. Mr. Bennett: At some time down the road the situation became very apparent to us that there was going to have to be much deeper government involvement in the programme because the capabilities in the private sector of raising funding just weren't there. Let me just go back and try to clear up some of the misunderstandings that might exist in relationship to it and let's get some comparisons going.

I think the first thing the government had to come to was the understanding as to whether it had the responsibility to provide accommodations or to provide facilities for a ski-jumping operation, whether it be national, whether it be Ontario or whether it be international? The comparison that was used was in relationship to the moneys that through the community centres programme and so on, the government has spent in basketball courts, badminton courts, tennis courts, swimming pools, indoor hockey rinks, baseball diamonds, football fields and soccer fields. You mention it and we have been into it. That was discussed even to the point, as I recall, that some said if you can justify as a government putting moneys through various programmes into a 10-metre diving board, which has a rather exclusive type of use, then surely to goodness the same principles apply to a particular sector or area of sporting operations. It was said that the government should be able to justify further expenditures on a single hill or ski-jump facility for that very selective group of people who find that a challenge and who also represent us on a national and international competitive basis.

You recall once or twice people saying you've put X dollars into it. At that time, we were talking about \$270,000 or in that range. There were a fair number of comments from various people in our communities, Thunder Bay included, people in your riding, who said to us the number of dollars that you provincially have invested in this ski hill as it relates to swimming pools, as it relates to high diving boards and so on across the province, without trying to dwarf half a million dollars, in comparison is very insignificant to what we spent on all these other activities.

I suppose you really come to the question, is there a need for a 90-metre ski jump in this country? If the answer is yes, which obviously it had to be, then the next question is, who has the capabilities financially of putting that particular function or operation or physical being in place? I would have to be less than realistic if we ever thought that that ski hill—and I'm talking now on a very personal basis—would any more cover its cost of operation than does a 10-metre diving board in a swimming pool. The only thing is that the 10-metre diving board is justified by the fact there is a swimming pool which will accommodate a great number of other people.

I don't think that this facility any more than the community indoor artificial ice rink, or than the community football fields, whether

it be Lansdowne Park in Ottawa, or whether it be Varsity Stadium here in Toronto, is a self-sufficient operation. But there is some responsibility, if we believe in recreation and physical well-being and the opportunities of government to participate.

Mr. Angus: Just following that line of thought, all the examples that you have mentioned have been funded by other ministries. When the Community Centres Act was under Agriculture and Food, then under Community and Social Services and then under Culture and Recreation, all that funding had come from them. I feel it is much more logical and would have been much more logical, not only just for the mechanics of government but for the long term, to have that facility under the responsibility of Culture and Recreation, as it stands now.

Hon. Mr. Bennett: That ministry didn't exist at that time.

Mr. Angus: That's right. But the sports and recreation division of Community and Social Services did. I think that the 10 metre diving board that you referred to was constructed under their auspices.

Hon. Mr. Bennett: With grants, yes. I won't deny that. If you want to look at the situation, obviously the functioning and day-to-day operations of a ski jump certainly do not come under the Ministry of Industry and Tourism and, more specifically, under the Northern Ontario Development Corporation. But in the initial stage, everyone thought—and I think if you go back, Mr. Angus, in your community you will find the mayor and others thought—that it would be a self-sufficient operation and it would start on a private basis with a private company and eventually would make repayment of its loans to the government through the NODC and would thereby function.

That's really how it got into that particular category. After certain loans had been extended to it, it then became apparent that it was not going to function as a private company and the way to finish the ski jump and to get it to a finished point so that it could be used for competitive purposes, was for the NODC to continue to make its loans, which cabinet agreed to.

Mr. Angus: Realizing that those loans would never be paid back?

Hon. Mr. Bennett: At least I realized that.

Mr. Angus: I would assume that cabinet would realize that too.

Hon. Mr. Bennett: Cabinet came to understand that it would never be paid back, and at this very moment we have discussions going on with Culture and Recreation for the possible transfer of Thunder Bay Ski Jump and it's one piece of the puzzle of the Nordic winter complex, if and when it's built—and I say if and when it's built. I think it will be built in time. It's like everything else in these days of constraint, it's hard to justify putting several—I was going to say hundreds of millions, but a couple of hundred million dollars into a complete programme. I think this could very well be one of the first steps toward that project coming into being in Thunder Bay.

Mr. Angus: One of the things that relates to this, and it concerns me, is the fact that it's been on a year-to-year basis in terms of loans, that each year there's going to be a new request, and it's as if Thunder Bay Ski Jumps Limited was not able to plan that much ahead.

Hon. Mr. Bennett: That's right.

Mr. Angus: I think that coming under Culture and Recreation would give them a better opportunity to be able to see five years down the road in terms of operating costs, capital costs, capital, goals to meet, what have you.

Hon. Mr. Bennett: You are right. We have always said to the Thunder Bay Ski Jump directors, "Go ahead and do your planning. Give us some idea what these facilities are going to require in current operating funds." At the same time we also encourage them to go to find private sponsors of certain international competitive competitions. I suppose one of the reasons that we have been a little reluctant to advance funds is that sometimes that might reduce the initiative to go out and find a private sponsor. In other words, if it got the funds, why should I spend my time looking for a sponsor when I could be doing A, B or C other events?

I think there are ways of encouraging people, and that is, they have to scratch for their dollars the same as we do in other amateur sports organizations, so that the government is not always standing behind us with X dollars to support us. They have had the opportunity of planning. It's not a matter that they were asked not to plan or to programme. It's a matter that they weren't quite sure how many dollars they were going to have. On the other hand, we were never quite sure how many dollars it would take the ski operation to function. You're right, if it went into Culture and Recreation and was taken over

as an operating function of that ministry, then, of course, they could plan on a yearly basis under the sports directorate.

Mr. Angus: In your discussions with Culture and Recreation I understand they are not exactly enamoured of the idea of taking it over. In fact, from what I understand, they weren't too enamoured with the idea of it being built in the first place. They felt there were other priorities.

Mr. Fleck: Sir, could I comment on that? I have been a part of these conversations and I think that would be an unfair comment at this point in time. As I understand it, and understood it, it was more related to the possibility of including it in a Nordic complex, as the minister mentioned, and their interest in it was as a part of a larger whole. With the larger whole being deferred, at least for the time being, the separate issue of taking it over just as an entity in and of itself is not one that's really been looked at. There have not been comments, at least not made to me, by the people I was talking with about whether it should have been or should not have been built.

Mr. Angus: I think the reality is that that doesn't matter.

Mr. Fleck: I agree completely.

Mr. Angus: The fact is it's there, and where do we go from here?

Mr. Fleck: Exactly.

Hon. Mr. Bennett: That's the point I said. You have got to come to the determination, should such a facility exist. I think if we are going to be selective in looking after certain other sports activities, then surely to goodness the ski jumpers—I have to admit Mr. Cassidy and I have a couple of them come from Ottawa. I found it hard to believe that anyone from Ottawa could be a high ski jumper. I thought they would have all come from Thunder Bay with the mountain situation.

Mr. Cassidy: I always thought you were the biggest ski jumper of them all.

Hon. Mr. Bennett: Well, Michael, any time I can leap over you, I'm all set.

Mr. Angus: As it stands now, one of the things that has happened is that the province of Ontario, through the development corporations, has caused a ski jump to be built—a world class facility—but at the same time the people who have been funding the discipline, who have been providing the money

for training and developing of talents, their funds have dried up.

[9:30]

Whether it is directly the fault of the Canadian Ski Association, or whether it is because of federal government funding or maybe even through Culture and Recreation's funding of the discipline, if there is any—and I am not sure if there is—you have a facility but you have no team; you don't have a training programme. It is as if the jump was built but there wasn't that long-term commitment to ensure there would be people to use it. Right now, there are only four who are qualified to use that jump in Canada—one from Ottawa, two from Edmonton and one from Thunder Bay.

Hon. Mr. Bennett: I am not sure what the point is you wish to make.

Mr. Angus: I guess I was looking for recognition of the fact that we have done something on one hand, but there hasn't been the backup, the other kind of funding, to develop the people. I realize that is not the responsibility of this ministry, but actually it is written up in the lease itself that the Canadian Ski Association agrees to provide instruction and support; and if they are not funding a team other than the token \$8,500 for the ski-jumping discipline in Canada, then they have not lived up to their part of the agreement.

Hon. Mr. Bennett: Yes. So?

Mr. Angus: So where do we go from here? What do we do?

Hon. Mr. Bennett: I suppose what you are really saying is, does this ministry or does the government of Ontario intend to fund the national ski jumping team and its coaching and backup staff and so on. The question is not very well placed to me, because I would have to say that, as far as the Ministry of Industry and Tourism is concerned, we are not prepared to get involved in that aspect at all.

I would also have some great doubts that the Minister of Culture and Recreation (Mr. Welch) would feel that he should now take over the responsibilities where the federal government left off. They initiate programmes time and again and back out of them in the hope the provinces will be so deeply committed to them that they are into them hook, line and sinker. I shouldn't be speaking for him, but I have great doubts that he wants to jump in and bail out the federal government.

I suppose the real challenge is to the Canadian Ski Association. We would appear to have a Prime Minister of Canada who has some interest in skiing—at least he seems to fly to British Columbia quite often to make use of the wood—and he should be convinced that it is to Canada's credit to continue to produce a national ski team and to produce the opportunities for Canadians to participate in ski jumping in the same way that we have in table tennis, for example, and a few other things that I would have to put on a slightly lower priority.

Mr. Angus: But when NODC get involved in funding a project, they look very closely at what they are getting into. If company X says he is going to be getting certain vital parts from another industry, in order to operate, but he has no agreement from that industry to get those parts; if you fund him and he builds his plant, then he can't get the parts because he doesn't have a binding agreement, the funding shouldn't have taken place at that time. The staff of any of the development corporations should have ensured that he had that source of supply.

Hon. Mr. Bennett: To the greatest extent you possibly can get those assurances.

Mr. Angus: Right.

Hon. Mr. Bennett: I don't think there is any way you are going to go to the federal government and get a lifetime commitment for funding of any programme, any more than when we in amateur football were able to get a long-term commitment of sponsorship of the secretariat for amateur football in Canada. That was withdrawn as well. Ski jumping isn't the only competitive sport that the federal government in its wisdom decided to withdraw funding from.

At the time they were reviewing the ski jump and all the aspects of it, there was enthusiasm and the interest, both nationally, provincially and locally—Thunder Bay being locally. Also, the type of coaching staff they had and the number of people and young people who were either competitively involved, or were on their way up through training programmes, appeared to give viability to the fact that there was obviously some need and justification for the existence of the ski jump.

We are not dealing with parts; we are dealing with humans. We are dealing basically with a financing programme that comes from the public purse rather than the private sector. In the automotive situation, when you talk about parts there can always be an alternative supplier. But this is a situation where

it is the human being that we are dealing with and no longer just a mass-produced part—although some would think that people are mass-produced on occasion.

It would be great to say we had all the assurances, but at the time that we were involved the programme seemed to have a great deal of viability. I still think it does. I am not in any way discouraged by it. If we go through the sporting fraternity, we see slumps in participation or activity; whether it be in bowling, hockey, baseball or any of the others, there are highs and lows in interest. There again, if it is to continue to have a viable place as an international competitive sport, it will have to be by funding from the federal agency. There is no doubt at all.

Mr. Angus: Right. And that funding isn't there.

Hon. Mr. Bennett: At the moment it is not. Maybe we can convince them to turn some of that lottery fund over to this particular activity rather than to the province of Quebec.

Mr. Angus: Have you had any discussions from your ministry—and I realize again that it is not the responsibility of your ministry—other than just kind of following through on your financial contribution?

Hon. Mr. Bennett: No. Mr. Secord of the Ministry of Culture and Recreation, I believe, is aware of what has taken place. It would be within their responsibility to function. I don't think they need me as the minister or others to say that the funding is gone. It is nationally known it has gone. It is now up to the Canadian Ski Association and others—and I would imagine they have been talking to Mr. Secord—to seek the support of the Ministry of Culture and Recreation of Ontario in dealing with Mr. Lalonde at the federal level and trying to put back into place the funding for the programme.

Mr. Angus: I would assume that an actual written application was made by the directors of Thunder Bay Ski Jumps Limited for the initial funding. Am I safe in assuming that for every amount that has been received through this ministry that they have submitted an application?

Hon. Mr. Bennett: Or submitted a request for an extension, Mr. Joyce?

Mr. Joyce: There was an application in the first instance. The amount was insufficient, so they submitted a further application for an extension. I am not sure whether they made

a formal application or a request for the two subsequent small amounts, the \$15,000 and the \$70,000. I think the \$70,000 came out of their budget.

Mr. Angus: In the application forms it seems that they are asked to give certain projections; probably one of them would be the projected profitability. The minister mentioned just a few moments ago that the mayor and a number of others were of the feeling that it would be a money-making situation. Did they project that in their application, or speak to it at all?

Mr. Joyce: Mr. Rodgers?

Mr. Rodgers: No, as far as profitability is concerned, I don't think that has been arrived at even as yet. The last two years' operations have been based solely on an operating budget. There were certain fixed expenses that had to be met and certain operating expenses that had to be met, and some allowance was made for the fact that if sponsors were not obtained, then someone would have to sponsor those particular meets to keep the ski jumps within the international circuit. None of the figures we have had presented to us to date has indicated that it is a viable, profitable operation.

Mr. Angus: So in the original application it didn't even suggest that at some point it might be money-making?

Mr. Rodgers: There was the hope expressed, but nothing projected far enough to indicate that it would be viable and profitable.

Mr. Angus: Did it refer at all to any kind of market study or feasibility study that they had done?

Hon. Mr. Bennett: I don't believe they had a feasibility study. I think you have to look at ski jumping as a competitive sport. Those who are deeply involved in it have a better understanding of the potential of participants than some outside consultant is going to have. They know pretty well where they are going to draw their forces from. They know, from the ski activity reports, who is interested in coming their way as far as this particular aspect of competitive skiing is concerned.

Mr. Angus: You are talking about the competitors now. You are not talking about the money-making aspect—the people who come to watch.

Hon. Mr. Bennett: Oh, I see what you are referring to. They had some report, I don't know from what basic source—Mr. Rodgers

might have the file there—but they weren't certain about whether they were going to make money.

I happen to own a little thing known as an arena—at least, I'm a half-interest shareholder. When an arena set down in the middle of a community can't make money and it's active for 200 days of the year, I would be somewhat hard to impress. I couldn't care less who makes the report to me, I become very practical when it comes to dollars and cents and a thing known as profit.

Mr. Angus: Yet in 1975 the company spent \$7,500 for a market survey and feasibility study. I would have to assume that that was done on different aspects of the jump, other than whether it should be there or not. It would be a little late. Can you comment on that? What the feasibility study was for and the outcome.

Hon. Mr. Bennett: At that particular point they were trying to impress upon their own directors and the NODC people that if they put in the plastic surfacing, which is several hundred thousand dollars, I forget the exact figure, this thing could become viable, it could be used for 12 months or thereabouts—I say 12 months, but you could have a very extended period of use and so on. They were trying to indicate to us that there would be a further interest. I can't give you much more on it than that, Mr. Rodgers and Mr. King and others have been closer to it from that point on.

Mr. Rodgers: In 1975 that amount of money was spent by a study done by Dunwoody and Company with respect to the future development and possibility of future development of the jumps into a year-round facility and perhaps incorporating it into a Nordic centre as well.

Mr. Angus: And the results of that study were positive?

Mr. Rodgers: I don't believe there were any firm positive recommendations. There were recommendations made as to what could possibly be done in the future if certain dollars were spent in the future. If it could be turned into a year-round facility in which there could be perhaps some tourism aspects as another attraction along with Fort William and the like in that area to draw tourists it might have—perhaps not a real viability for the jumps themselves but a spill-off into the community.

Mr. Angus: Okay. Mr. Minister, you indicated to me earlier that it was originally a private company and then the ministry felt

they had to take a more active role, or a more direct role. I understand the shares of Thunder Bay Ski Jumps Limited are wholly owned by NODC.

Hon. Mr. Bennett: That's correct.

Mr. Angus: At one point in time the shares were held privately, or were there any shares to begin with?

Mr. Joyce: I think there were seven shares outstanding, each in the hands of one shareholder.

Mr. Angus: Was there a value placed on those shares at that time?

Mr. Joyce: A dollar a share.

Mr. Angus: A dollar a share. Is there a value on the shares now?

Mr. Joyce: No.

Mr. Angus: It's really just paper then?

Mr. Joyce: Well, it represents the ownership of the company and they are all held by the Northern Ontario Development Corporation.

Mr. Angus: Still just seven shares?

Mr. Joyce: Yes.

Mr. Angus: Has there been any thought given to offering these shares for public sale?

Mr. Joyce: It's not a profitable situation, so that it would be almost impossible to sell shares.

Mr. Angus: Impossible to get somebody to buy them.

Hon. Mr. Bennett: But I tell you what, Mr. Angus, if you come along with a buyer, we might even think from a federal point of view of appointing you an agent for us.

Mr. Angus: Okay. You are not familiar with any money that the province might have spent in terms of training jumpers, from what you said before?

Mr. Joyce: I don't know.

Mr. Angus: Okay. Other than the—is it five or four government appointees?

Mr. Rodgers: Five government appointees.

Mr. Angus: Five government appointees and four from the ski discipline. Knowing the board, I would say that they are all ski people?

[9:45]

Hon. Mr. Bennett: They are all people who have some understanding of the ski world and its activities, some of them very knowledgeable in this particular aspect of skiing and others knowing something about alpine skiing and so on.

Mr. Angus: In Minaki Lodge, for instance, the corporation there, is there one person who is the NODC representative on there? Are any of these five considered in the same way or is there somebody else who directly represents NODC?

Hon. Mr. Bennett: There's one of our directors of NODC who is on the Thunder Bay Ski Jumps board—one of the NODC directors.

Mr. Angus: And who is that person?

Hon. Mr. Bennett: Raymond Walneck from Thunder Bay, a lawyer.

Mr. Angus: Okay. And he is the communication link?

Hon. Mr. Bennett: He is the contact to keep things on stream, so that when problems relating to Thunder Bay Ski Jumps are brought to the NODC board at least there is one director who has some familiarity with the subject.

Mr. Angus: Has he been the representative for quite some time, for instance, since the government—

Mr. Rodgers: No.

Mr. Joyce: No. He has only been on about a year and a half or two years.

Mr. Angus: Before him, then, who was the NODC person?

Mr. Rodgers: I don't believe we had a representative from NODC on the board.

Mr. Angus: How did your ministry or NODC choose the five government—well, I guess, the four government, if we exclude Mr. Walneck—

Hon. Mr. Bennett: If I recall correctly, there were some suggestions from people in Thunder Bay as to who would be good people from the ski association—people on the general committee, some of the tourist operators, told us about these people and their knowledge, their background. I have to admit that, as the minister, the only one I do know is Mr. Walneck because of his participation in NODC. Outside of that I can't speak for any one of them on a personal basis. But their credentials given to me indicated their background and their interests.

Mr. Angus: Is it the CSA—the Canadian Ski Association—that appoints the other four people?

Hon. Mr. Bennett: The Canadian Ski Association, right. Just to clarify, Mr. Rodgers, do they appoint them or do they give us a list and we select from that list?

Mr. Rodgers: They recommend to the NODC board that these are the people they would like to represent the Canadian Ski Association, and it comes down and is referred to the minister and usually on their recommendation they are appointed.

Mr. Angus: Are they appointed for a particular term, or are they there indefinitely until there is a need for a change?

Mr. Rodgers: I don't believe there is a term of office, a restrictive term, at all.

Mr. Angus: Okay. When I went through the lease that was tabled on Monday, as I mentioned earlier, I was very surprised to see that the Canadian Ski Association was a formal part of the lease. They indicate they are responsible for providing instruction and guidance. They haven't this year. The only training that's being done is either through the American coaching or through the volunteer efforts of Slavimir Kardas. Without him I think we would really be in trouble.

Further on, it indicates the responsibilities of, as they refer to it in here, the company—Thunder Bay Ski Jumps—which are to keep the jumps at all times in good order and condition commensurate with a first-class ski-jump facility, et cetera. I guess we are just lucky that we didn't have that much rain this summer, but my information is that the deterioration of the slope can become crucial if we do get any amount of rainfall. Can you comment on that first?

Mr. Rodgers: There's a definite possibility that that could evolve. However, in the construction of the jump there was proper drainage across the slope to prevent any really serious erosion. The base, as you understand, is a pretty solid base. It's the overfill on top of it that would wash away. There has been consideration and the board and management have been looking at sodding the slope to prevent erosion. Fortunately this summer, as you said, there was not sufficient rainfall for it to be a real problem but it could be a real problem. It is something which will have to be addressed if we go along in the future on the jumps.

It is quite an expenditure to sod that. As you know, the degree of slope is pretty dif-

ficult and it will probably have to be done with the spray method with the plastic and the seeding as they do the slopes on some of the highways. I don't think it is as real a problem as you indicated.

Mr. Angus: I had the indication from directors that they are concerned; some of the more knowledgeable ski people.

Mr. Rodgers: It is a concern all right.

Mr. Angus: But as it stands now there is no money earmarked for the sodding of that slope?

Mr. Rodgers: There is no money in this year's budget, for that.

Mr. Angus: Is there any money forecast for next year for it?

Mr. Rodgers: We have not taken it beyond a budget to the end of April of this season.

Mr. Angus: Do you anticipate that you might include an amount for the sodding?

Mr. Rodgers: I think that would depend on who would be responsible in the future for the jump.

Hon. Mr. Bennett: There is no commitment until I persuade the powers at Culture and Recreation to look after this.

Mr. Angus: Okay, but you agree with me that something has to be done to it?

Mr. Rodgers: It is a concern that has been recognized.

Mr. Angus: Has there been any erosion at all? Have you had any loss of material?

Mr. Rodgers: Not that I am aware of.

Mr. Angus: Is this the only facility in Ontario built, to your knowledge, on private land as opposed to Crown land?

Hon. Mr. Bennett: That's a question I couldn't answer. I don't know. I don't really know.

Mr. Angus: Why was the lease only for 20 years plus 364 days as opposed to what some people suggest should have been 99 years? The jump should have been built there and nowhere else.

Mr. Joyce: I think it is something to do with a legal situation and a law of perpetuity. I don't know whether Mr. Bros can answer that.

Mr. Bros: I was not a party to the negotiation. I have no idea why the lease was drawn for a period of less than what was suggested by the hon. member. It was drawn for 21 years less a day to avoid a legal technicality called the rule against perpetuities and certain provisions of The Planning Act. I was not a party to the original negotiations, and I really can't make any comment on why it was drawn for that period of time.

Mr. Angus: Can you explain to me what that rule is?

Mr. Bros: I think The Planning Act is probably more relevant but it is the same principle in both—you cannot or should not—under The Planning Act, if an interest in land is given and it covers a period of 21 years or more then a severance is required. The land being leased is not all the land owned by the landlord. In other words, we would have to apply for a severance or a severance would have to be applied for which would have entailed a lot of time and expense.

Mr. Angus: I see. I thought the whole area was leased. The whole strip right up the mountain was leased.

Mr. Bros: Yes, but abutting land is—the landlord of the property we are leasing directly, namely Little Norway, has an interest in adjoining land by way of a lease for the Crown. The way the provisions of The Planning Act read there must be an affidavit by the grantor or lessor that he has no interest in any abutting lands, which is not true in this case.

Mr. Angus: Of course, he also has an interest on the other side with Lakehead Land Sales.

Mr. Bros: A related company, I believe. Lakehead Land Sales.

Mr. Angus: What would be the cost and the time problem of going through the severance?

Mr. Bros: I really can't answer that. I was not a party to the original negotiations and I don't have personal knowledge of the details. For example, I can only guess that survey costs would probably have run to several thousand dollars as a minimum; and that would be only one element.

Mr. Angus: Just a couple of more questions on this matter, if I may. Last year the manager of Thunder Bay Ski Jumps went to Inns-

bruck, I understand, for the purpose of attracting jumpers to come to Thunder Bay. I would assume that his expenses were paid. Were anybody else's expenses paid for that trip? Any of the directors, for instance, or news media?

Mr. Rodgers: Not as far as I am aware. Just the manager.

Mr. Angus: Just the manager? Is that the amount that is related in the 1975 figure of a total of \$3,142 for travel?

Mr. Rodgers: That trip to Innsbruck would be part of that. He does a considerable amount of travel during the year; that would be the total travel.

Mr. Angus: Mr. Chairman, that is all I have. I am wondering if any of the Liberal members want to follow up any particular lines of questioning on the ski jumps before we get into anything else?

Mr. Eakins: We are on vote 2109 generally?

Mr. Chairman: Right.

Mr. Eakins: I am sorry we missed vote 2108 due to the weather conditions.

Mr. Lane: Oh John, you slept in.

Mr. Eakins: I went down to listen to Her Honour speak last night, but the weather conditions kept her from getting down. She got snowed in and I got snowed out. At least we made it this morning. The unfortunate part is that we rushed so much that we had to skip votes, hoping that we might get everything in within a previous time limit. However, if I am not able to ask some of these questions, I will make a point of sending my concern to the minister and perhaps we can get some answers in that way.

The gentleman who was just speaking mentioned he wasn't party to the 20-year limit or whatever it is. I wonder who was party to it or whose responsibility it was to say this would be the length of the agreement.

Hon. Mr. Bennett: That was negotiated by the lawyers for the Thunder Bay Ski Jump Company Limited.

Mr. Eakins: Who approved it in the ministry?

Hon. Mr. Bennett: You are asking a question about the lease which I will have to refer to Mr. Rodgers. I haven't got a copy with me.

Mr. Rodgers: I believe the lease, when it was eventually agreed to and signed, came

down and went through the procedures here up through the minister to Management Board. The only agreement that wasn't reached with respect to the lease was the revenue agreement, which is still not finalized.

Mr. Eakins: Do you have other areas where you have leases on private property?

Mr. Joyce: Not that we know of.

Mr. Eakins: This is the only one? Why would you accept this particular area and this particular proposal?

Hon. Mr. Bennett: Mr. Chairman, I think we have come to a point where we had one of two alternatives: Either we accept a lease situation or we decide to buy out Little Norway. I think that is really what it would have come to in the final analysis. Frankly, as the minister, I am not interested in proposing to the cabinet and to the Legislature that we should buy out Little Norway or any other ski hill in the province of Ontario. That is really what it would have come to.

Mr. Eakins: What happens after the 20 years? What are your long-term plans?

[10:00]

Hon. Mr. Bennett: You ask what will happen after 21 years. I hope that long before the 21 years takes place that it will be put into a company that will operate it as a competitive sports operation; whether it will stay singularly in the Ministry of Culture and Recreation in Ontario or whether it will become a federal-provincial operation, I don't know. I said earlier it could also become part of the Nordic winter sports complex that's being designed and which we hope to develop eventually in the Thunder Bay area. It could then come under one full corporate management. What would happen at the end of the 21-year period would be the determination of that board, or whoever's managing it at the time, and the owners of the property it sits on and the adjacent properties.

Mr. Eakins: Has the ministry been heavily involved in the advertising as far as this resort is concerned?

Hon. Mr. Bennett: This facility?

Mr. Eakins: Right.

Hon. Mr. Bennett: It's had its fair coverage in the publications and programmes as an attraction in the Thunder Bay area, particularly when competitive skiing operations are—

Mr. Eakins: Through ministry sponsorship?

Hon. Mr. Bennett: Not directly. In other words, there are two major competitions which will take place in Thunder Bay this coming season, providing there's snow. One is being sponsored by Shell Canada which also was the sponsor, if I recall correctly, of the initial ski competition the day the jump was officially opened. They're presently working on sponsorships for the second competition. They've been allocated a sum of money through the NODC to facilitate their continued planning, maintenance and general operation of the ski jump for this current season. Some of the money could very well go toward the cost of the second competition if a sponsor is not found.

Mr. Eakins: How much provincial money has been put into this operation so far?

Mr. Rodgers: Five hundred and thirty-seven thousand dollars.

Mr. Eakins: Over a period of what time?

Mr. Rodgers: Since 1972.

Mr. Eakins: That's sort of a magic time, 1972. Do you anticipate there may have been more than that since 1972?

Hon. Mr. Bennett: Pardon?

Mr. Joyce: Could you ask that question again, please?

Mr. Eakins: You say there's been \$500,000-some since 1972?

Mr. Joyce: Yes.

Mr. Eakins: The time the trouble started with Ontario Place was 1972 and we're finding as time goes along there's more money involved. I was wondering—since the auditors didn't pick up Ontario Place from 1972 until now, do you see the same thing happening with this proposal?

Mr. Rodgers: No. We have audited financial statements on an annual basis from the company which are presented to the corporation. There's nothing revealed in any of those which we have.

Mr. Eakins: Who is heading this proposal? I'm thinking of—it might be the same as Ontario Place. It took a new director to find out what was happening there. I was wondering, are the same people in charge of this project?

Mr. Rodgers: No. The ski jumps are operated by Thunder Bay Ski Jumps Limited,

which is a corporate body with its own board of directors, and they operate the jumps themselves.

Mr. Eakins: I want to be sure that the people of Ontario are aware of what money is spent and that we're not going to hear later that a large chunk of money wasn't picked up at the time. What kind of control do you have on it and what are the auditing procedures?

Mr. Rodgers: Any money disbursed to the company by NODC has had the same checks on it that we would do in any of our other lending programmes. The money has been disbursed and the checks have been made.

Mrs. Campbell: It fills us with confidence.

Mr. Joyce: May I add to that that \$467,000 of the amount spent for the facilities—it was capital expenditures for the facilities.

Mr. Eakins: I think that's all as far as the ski jumps are concerned. I'd like to come back to some of the other parts of the vote.

Mr. Lane: I have to go to a meeting so I'm not going to discuss the ski jump with you because I think there's been quite a bit said about it already.

I'm interested in the NODC programme; I have been since I first came down here five years ago. I'm not altogether satisfied with its performance in the north. That's no reflection on you or members of your staff who are here or not here. I've certainly had tremendous co-operation from yourself and from Mr. Joyce and Mr. King and many other people, but back in 1971, the NODC programme really was a talk programme as far as my people were concerned because they just couldn't get any money. The rules were wrong, of course, at that time; they had to have 50 per cent equity in the business and so on.

Up in my area, and I'm sure for a good share of the north, many of the tourist operators were older people who were just hanging on and when a young person was going to buy out the business they would be looking at the financial statements for the last four or five years, and if the guy wasn't making any money, then, of course, it wasn't a good bet and the guy didn't get any help.

In many cases the older man who was holding on wasn't spending any money and actually had no chance of making any money, where a young person could have taken that thing and really made it boom. I raised a big noise, as did quite a few of the northern

members, and I think it was in August 1973 that the Premier (Mr. Davis) announced in Timmins a new programme. I thought that new programme was just exactly what the doctor ordered for the north. As I understand the announcement, a loan in northern Ontario could be as much as \$1 million. There would not have to be more than 10 per cent equity providing the project was worthy and so on, and I thought at last our young people were going to get a chance to get into business in the north and not have to work for somebody else or come south.

Alas, it hasn't worked out that way altogether. The people in Sudbury and Sault Ste. Marie, where my people have to go to get their applications in the mill, are not all that enthused about the programme. There are quite a few people turned off before they get started. I heard one expression one day from one of the people in your ministry in that area who told a person that he should go to the Industrial Development Bank, the federal business development bank, that there wasn't nearly as much red tape involved and he'd get his money a lot faster. Surely that shouldn't be.

Also, I think we sort of lose sight sometimes of the fact that this is really risk capital, not something that needs a gilt-edged security, and if we're doing a good job in the north we're going to lose some money at one point or another and I don't think we should be awfully concerned about that. I don't think we should make bad loans intentionally, but if we're going to really do a good job of developing the north and if it is risk capital, and that's what it's supposed to be, the end of the line when you want to do something that's worthwhile and you can't get financing any place else, then that's where you're supposed to be able to get it. I think we're bound to run into situations where we just won't recover the money, and otherwise we're not going to do a very good job.

Going back to the Premier's announcement of the new programme, I believe he said at that time that the board of directors for NODC—who are all northerners and all pretty good people as far as I'm concerned—would have complete control over whether or not the application was accepted, they would work out with the applicant terms of repayment of the principal that was in keeping with the cash flow that the business was expected to provide, would work with them the best possible interest rate and so forth, and that's happening to some degree.

However, the thing that bothers me is, even if the young guy has enough ambition to get past the first stage and get his appli-

cation in the mill—and as I say, some of the people in that area haven't been all that enthused about the programme and sometimes the guy gives up at that point—if he gets his application in the mill, it seems to be that there's a number of applications being turned down by people within the ministry before they reach the board of directors. Again, I could be wrong on this, but I understand that this was happening to quite a large degree and many applications were actually being turned down and the board of directors didn't even know about them.

I raised a bit of a fuss, and I guess other people did, and I understand now that the board does know that the application was turned down and could, if it wanted to, have another look at it, but the facts are maybe pretty damning.

I would hope we would give the board more responsibility and if there is an application in the mill that seems to be questionable I think it is desirable that one or two of those directors, who are northern people and understand northern problems and northern development, would have a chance to go out and look at that particular project before it was turned down by people in your own ministry who probably aren't too familiar with northern problems. I think we have come a long way since 1973. As I say, back in 1971 it was really just a talk programme. It didn't amount to a damn to the people in my area. We have come a long way. People are using it. You have some good people working in that branch of your ministry, but it's just not good enough as far as I'm concerned. We are still looking for a little bit too much gilt-edged security. There's no risk capital and there's still too many decisions, as I see it, being made internally and I think the board should have more discretion. I would like to have your comments, Mr. Minister.

Hon. Mr. Bennett: Mr. Chairman, on the one relating to the ministry people refusing the application or turning it down, the criteria are established under rules and regulations indicating what an applicant must do and what he must submit to them so they can try and get some degree of clarification as to the practical fact of putting up the loan. If I understand correctly, Mr. Joyce and Mr. Rodgers, if applications are not accepted they are reported to the board of directors.

Mr. Lane: They are now, but they weren't at one time.

Hon. Mr. Bennett: That's correct. It was changed back about 1973, so that they can

be reviewed by the board of directors on a personal basis if they so wish. I think we have been involved in several in the north where they have been represented on two or three occasions because of opinions that they felt some people had not analysed them accurately in the overall scheme. While it's easy to say we should make the rules maybe a little more flexible, there is still a certain responsibility that the moneys invested have a very practical application and that we are not being taken for a ride. We're the lender of last resort. That's the position taken. We have tried to be lenient but responsible in the placement of funds.

I think most members on all sides of the House have been advised by my office when applications have been approved for funding of particular programmes, whether it be a mortgage fund, whether it be an export fund, or whether it be a direct loan under the Ontario Business Incentives Programme. I have also been, I think, as responsive as one can be when people have said to me, "So-and-so from my constituency feels his application has not been given fair consideration." I have asked for it to be analysed and reviewed and sent right to the board of directors for an expression of opinion.

Mr. Lane: I certainly appreciate, Mr. Minister, what you say is true. You have certainly been very interested and very helpful, and Mr. Joyce and Mr. King and others have been the same way, but I still feel that there's not enough incentive there for our young people. Going back to that announcement in 1973, there was some talk I know, because I was at Timmins the time the Premier made the announcement, about the applicant only requiring a 10 per cent equity, and yet I understand if he hasn't got at least 30 or 35 per cent equity his application doesn't get very far.

A young person today buying a business that's worth \$300,000 or \$400,000—and you can't get too much for less—has a hell of a time to raise 30 per cent of that equity if he just got out of school. I think there should be some real learned people looking at the proposal a person is making, looking at the type of person who's making it, and if it has the potential that he thinks it has and those people think it has, then there should be some way that he would be able to get into business without having to mortgage his soul to three or four different sources. That just makes it pretty near impossible for him to function, because he hasn't got operating capital to make his business go the way it should and maybe he gets discouraged along the line.

I'm just trying to get young people an opportunity to develop in the north. I don't think a young man or a young woman just coming out of university, or college, or even high school can get a one-third equity in a business today at the cost of businesses today. We are just not giving these young people a chance to develop their businesses under this programme as of yet. We have come a long way and I guess I have to be more patient than I am, but when you get old like I am you get impatient.

Mr. Eakins: You'd never know it, John.

[10:15]

Hon. Mr. Bennett: In fairness and frankness, we can't start looking at a programme so that it relates singularly to young people or middle-aged people, or older people. I think we are looking at how to build a better economic base industrially and commercially across Ontario, particularly in eastern and northern Ontario. We also try to take into account whether the projection for survival of the particular type of operation is really there. In other words, it's fine to get an Ontario Business Incentives Programme loan which is interest-free and repayment of principal free for maybe a period of one to five years, and then at a pegged interest rate that is likely in some cases one or two per cent below prime rates of the province.

The thing we want to be sure of is that after the forgiveness period, or the soft period of repayment, the business now can afford to start paying the interest factor on the loan and can afford to carry the other operating expenses of it. Sometimes we have people come in and make applications for a development and it's a grandiose idea. It's great. They don't want to put anything up. They are going to put up a piece of farmland, or a piece of land that they now claim is 10 per cent of the value, but this isn't accepted by anybody else as being 10 per cent.

I think it's the responsibility of the people who work for the government of Ontario and the people of Ontario that they analyse it as carefully as possible and give as much encouragement as possible, but that we not be the fall guy in having afforded some assistance to a business which gets into operation, develops some employment and five years later, because there's no longer a soft period, closes the doors, thereby having created a real situation for the community because he did develop employment and likely brought some people into the community. He's likely caused the service industries to develop to be of use to him, or that industry

that he has developed, and now we have a real dilemma on our hands. So there is a responsibility, and while we want to encourage the young people as much as possible I think you have to also be realistic that young people don't just walk out of university or high school and want to take over \$200,000 or \$300,000 businesses without having any real personal commitment to it.

Mr. Lane: I couldn't agree more. I spend a lot of my time talking people out of proposals rather than talking them into them because often, as you say, the proposal is not very stable. There is no chance for it to survive and at that point in time we shouldn't be encouraging it, we should be discouraging it. I certainly agree with that. I think we have to be prepared to lose some money if it's really risk capital, but we certainly shouldn't deliberately encourage somebody to go into something where there is no future.

That's why I'm saying that rather than people down here looking at application forms and figures on paper and saying it's good or it's bad, I think it would be far better if we had northern people go to where the project is being proposed and have a look at what possibilities were there and help that person make a proper decision. Maybe if we can't start him there, or her there, we can encourage them to do something else.

Okay, I'm going to drop that for the moment and ask you if we plan to get into the service industry business. So far we have been into industry, including tourism, but the service industry is related very closely to tourism in the north. A lot of cottages have been built. Electricians and plumbers are hiring more people and the local stores are involved; the local restaurants are involved. These people want to expand, they would provide more jobs for our young people in the north, and yet at this point in time we are not able to accept them at all under the programme. What does the future hold for us there?

Hon. Mr. Bennett: I would have to say it's not very bright. It is not our intention to expand the programme into the service sector at this point. I trust that the funding we have put in place through private companies for the development of industries is sufficiently strong enough to create the climate that will be conducive to a service industry to come along.

Mr. Lane: It's a pretty thin line. If we are assisting a chap to build a motel to

accommodate tourists and he wants to have a restaurant, that's all part of the package and he gets his loan if his application is good enough, but the other guy who would like to increase his volume in his restaurant and employ three or four more guys, just because he is in the restaurant business and not the motel business he is not applicable.

Hon. Mr. Bennett: If the restaurant business can be indicated to have a direct relationship to the tourist industry, if it complements the tourist industry and helps to expand the facilities available for the tourist, then it could very well qualify under the loan programme. If it's a restaurant on a main street—

Mr. Eakins: That's not 100 per cent though.

Hon. Mr. Bennett: No. I said it complements. But if it's a restaurant on Main Street, a corner coffee shop which basically has no relation to the tourist industry and which is strictly for local use, then I have to admit he's paddling his own canoe.

Mr. Lane: As you know, in my riding two towns, especially Elliot Lake and Espanola, are one-industry towns with mining at Elliot Lake and paper at Espanola. It's difficult to get businesses to go into a new area. But it's not too difficult to get service people to expand and to work with the industry that's presently there, and this is where we seem to be bogged down. These people don't seem to have any source of financing, other than what they can arrange for themselves. If it's a young chap who started out two or three years ago in plumbing or an electrical shop or something like that, he's just not able to expand and hire the people he needs to work with him unless he can get some financing. You say you're not going into it, so I guess I might as well drop the case there. I think some branch of government should have a look at it because there is a need to assist them.

Hon. Mr. Bennett: We have looked at it. The Development Corporation people have analysed it and people in the ministry have analysed it. The funding that would be required would just be beyond anything that anybody in this room is prepared even to consider. Secondly, I've been through some of the northern communities where they wanted to open up shopping malls, for example. They felt this would be a great place to get the NODC involved. I place the question fairly to others, if we're going to open up a shopping mall in the north and it's going to take Development Corporation funding, if

a second shopping mall comes along which is another competitive chain store, there's the feeling that if you're good enough to support one you should be supporting two. The same thing goes for a haberdasher. If he wants support through NODC funding, the fellow down the street can ask the question, "Why shouldn't I be funded?" Service industries just would become an unbelievable nightmare, and the demands made upon government would become unrealistic. We've analysed it and we just think it would be one step away from being a nightmare.

Mr. Lane: Is there any way that any of the service people can be accommodated under a small businessman's loan?

Hon. Mr. Bennett: There are certain provisions under the federal banking situation where small business funds are available.

Mr. Lane: We don't get involved?

Hon. Mr. Bennett: No, we have not got involved to this point.

Mr. Lane: I can appreciate what you're saying, that it could become a nightmare.

Hon. Mr. Bennett: If there are members in this committee or in the Legislature, who would like to propose some suggestions as to how we might approach the subject from a different point of view, we'd be glad to look at them. But I only caution you that it becomes a real problem. We have one Liberal critic who's in a particular type of service industry. He certainly wouldn't want to see me supporting a person two blocks from him under a Development Corporation loan to establish in his community. He would figure it was unfair competition, and with that I would have to agree.

Mr. Eakins: Just to complement Mr. Lane's question in regard to loans, a lot of people in small business are asking about loans. Do you see them more as being made in the manufacturing line, other than the tourism loans. Say, a small business person wishes some support in a small business, does it have to be in the manufacturing line?

Hon. Mr. Bennett: This has been in the manufacturing line, although we've had loans made—and I'm talking now specifically about the industrial aspect of it—to companies where they have a direct relationship to an industry in their community and where this component is required if the industry is even to survive or continue to expand. We've hit one or two of those, and the relationship was close enough to manufacturing, rebuilding, or what-

ever you wish to call it that the board of directors felt it qualified under the terms. But it was not put into what we call a direct service industry.

Mr. Johnson: Supplementary to this same question, I agree with the ministry 100 per cent that you should stay completely out of the private sector as far as independent people are concerned, because if you start assisting one competitor against another you're into a nightmare. I've been in business 25 years and I certainly would hate to see you come along and support a shopping plaza. This, in essence, is what some people would like to see happen. But if it happens in one case, then where do you stop? Let's concentrate on an industry where it's going to create jobs and help the communities and leave the independent business people alone to run their own show.

Mr. McKessock: Can I supplement that and disagree with it a certain amount? I think a small businessman who can't afford to set up himself and who needs funding—I can see not supporting a large company that is coming in, but the person who has financing available to him or has his mortgage paid and has been in business for 25 or 30 years, he's in a different position to the guy who is just starting today. I think funding should be made available, no matter what the business is. I would suggest it be done in communities of perhaps 5,000 or 6,000 and under to promote the growth of these rural municipalities. This is what these loans are all about—to promote growth in more depressed areas— isn't it? In that case, it doesn't matter what the business is.

Hon. Mr. Bennett: Oh, very much so. I think you have to be very careful when you say it doesn't make any difference what the business is. If you have three applications—I wish Mr. Pat Reid was here, because he could verify the situation we've got going in his riding at the moment. If you're into the situation where you have three fellows who all want loans for a haberdashery, which one are you going to give?

Mr. Johnson: Just give it to the three of them and have them all go broke in a couple of years.

Hon. Mr. Bennett: That's right—and then you want to know why I'm involved at all. I have to agree that if we create a climate through loans to established industries, it will bring some meaningful employment to the community. In turn, as a result of having those people there, they have a need for

the service sector of our economy, such as grocery stores, drug stores and whatever else it happens to be. That in itself should be the leverage that is required from the potential markets available to them.

Mr. Chairman, I am not prepared to entertain just flippant remarks or ideas that we might come up with this morning, because it is something that is going to have to be thought out before you make your suggestion; it has got to be thought out very, very carefully. Don't start talking to me about communities of 5,000, because if I get into southwestern Ontario in a community of 5,000 I'll have the northerners telling me there's not a damn bit of reason for being down in that part of the province doing anything. The same thing would be done if we went into some parts of eastern Ontario; I get the same reaction from the northerners. I'd get the southerners after me too on the basis that if it's good enough for them, why isn't it good enough for us? So we get on the merry-go-round. The only thing is, you've got to find which horse hasn't got a broken leg so you might get to the finish line.

I only want to caution the members that while it would be very easy for government to just throw the doors wide open, there would be funding difficulties and political confusion as a result.

Mr. McKesock: To keep our small businesses surviving in our free enterprise system, there should be some form of funding available at a decent interest rate.

Hon. Mr. Bennett: There are funds available.

Mr. Chairman: Have you concluded your remarks, Mr. Lane?

Mr. Lane: I'd like to just hold on for another few minutes. I appreciate the various interjections from the various members of the committee; I think we're all interested in doing the right thing. I agree with the minister; I'd be the first one to squawk if you were subsidizing a chain store, but I think a small businessman in the service industry does have a heck of a time to expand his business.

Hon. Mr. Bennett: Let me just interject here. You talk about subsidizing a chain store. IGA could be considered a chain store, but it is still privately owned by the individual in the store. We've had those applications in our ministry, particularly in relationship to some of these chain operations that operate in northern Ontario as franchises, that we should support them. That's where you start getting into the complications.

Let's take Mr. Loeb, with whom we are both familiar, from eastern Ontario. Mr. Loeb at times has a piece of the action in some of these independent stores; the principal owner is the fellow in the store, but all of sudden he makes an application and we're on the treadmill again. Where do you and where do you not allow for this type of a loan? An individual could himself require funding, just for a current operating position.

I only caution the members again that it would be very generous of the people of Ontario to get into that field, but it would be extremely costly. I have some doubts as to which one of you in the political world—if I had three applications in your constituency in a similar area for the same type of facility, I'd like to see which one you'd pick.

Mr. Riddell: On the same point, are you talking now about establishing new independent businesses? I think I drew to your attention a year or so ago that the problem seems to be that where the independent businessman has reached the age of 60, 65 or 70 and he wants to sell that business to his son. He can't give the business away, because he's got to live the rest of his life. He would like to sell it to his son, but the son can't arrange to borrow money. I was asking if there was any way, through the government, that the son could borrow money in order to buy his father out.

[10:30]

Hon. Mr. Bennett: Jack, in fairness, you tell me why the people of Ontario, through this corporate structure, should fund a son in purchasing business from a father. Surely to goodness, if there's a fair relationship between the son and the father, then a mortgage arrangement can be put into place the same as it would be if you were doing it with anybody else. That was not the purpose of the funding. I say to you again, if you're going to continue to expand into all these fields, the cost of running the development corporation would be higher because when you get into service areas, let me tell you, the servicing of the accounts becomes even much more difficult.

When I look at the situation you speak of, I feel if there's a fair relationship between father and son, surely to goodness there's some way that they can arrange a mortgage and the business should have produced sufficient rewards to be able to pay the father enough money to continue to live the type of life he wants.

Mr. Riddell: That would be my feeling too, but that apparently isn't the way it works out.

Hon. Mr. Bennett: I don't think these political forces have to make it that way.

Mr. McKessock: What if the father is 65 and you want a 30-year mortgage? I mean, there's no way he can—

Hon. Mr. Bennett: Why can't he?

Mr. McKessock: Because his father probably won't live that long.

Hon. Mr. Bennett: So what? I'm not worried about how long his father is going to live. You said he's 60; he can give a 100-year mortgage to his father. It's the estate—

Mr. McKessock: Maybe he needs the money.

Hon. Mr. Bennett: If he needs the money, let the father go to the bank and raise it on the strength of his mortgage.

Mr. Lane: Mr. Minister, I'd like to taper off my remarks. I think you're right in that way. If the son is going to take over the family business, they should be able to finance it themselves. But there are young people who aren't able to take over the family business and who do want to be business people, and I see them leaving the north every day because they can't start their own businesses.

I'm not saying you should get into it, and I certainly wouldn't want the doors thrown wide open, because it would be an impossible situation. But I would hope that some way or another we could look at helping a small businessman get started. I say small businessman, but you'd have to have some criterion as to what is a small business, whether it be \$50,000, \$100,000 or some given amount.

I read in the Toronto Star one day that Manitoulin was now just a place for people to die and so forth; of course, I responded to that and said it's not. But, in fact, an awful lot of our young people are being weaned away because they just cannot get started in their own business. And it's not because they're not smart people; they're smart enough. It's just that there isn't assistance there to get them going. I'm not going to belabour it any further, Mr. Chairman. Thank you very much.

Mr. Chairman: I have the following list of speakers: McKessock, Wildman, Conway, Angus, Eakins and O'Neil.

Mr. Angus: Mr. Chairman, on a point of order. I believe I volunteered to allow the continuation of discussion of the ski jumps so that we wouldn't be coming back to it. But the assumption was that it would return to me to continue into other areas of the development Corporations.

Mr. Chairman: I guess we're discussing vote 2109—

Mr. Angus: Which is the Development Corporations.

Mr. Chairman: Actually Mr. Lane was the third one on the list; now I have Messrs. McKessock, Wildman, Conway, Angus, Eakins and O'Neil.

Mr. Angus: Obviously you didn't understand what I was getting at, Mr. Chairman.

Mr. Chairman: Actually when you were discussing the ski jumps, you were discussing vote 2109.

Mr. Angus: That's correct. But I did indicate to you that I was voluntarily turning it over to the Liberals to allow them to follow through.

Mr. Chairman: That's very kind of you, because you did have 40 minutes.

Mr. Riddell: One speaker had 40 minutes?

Mr. Chairman: That's right.

Mr. Riddell: Well, I would suggest you carry on with Mr. McKessock.

Mr. Chairman: That's right. I think we have to divide the time somewhat.

Mr. McKessock: Thank you. In looking over the list of directors for the Ontario Development Corporation and the other corporations, how are these directors arrived at? Is there any specific number that is supposed to be on the board?

Hon. Mr. Bennett: Yes, the Act indicates clearly what the numbers shall be—except that an amendment was made to allow for one from the Ontario Land Corporation.

Mr. Kessock: One of them has 13 and the other two have 11, and that's the way they're supposed to be. Is that correct?

Hon. Mr. Bennett: They're all—what's the number—I haven't got the number.

Mr. Joyce: The eastern and northern boards each have 13 members. ODC, which is the parent corporation, has 15 members,

of which four are from the eastern board and four are from the northern board.

Mr. McKessock: So they are a few members short at this present time. Is that right?

Mr. Joyce: No, I don't think so.

Hon. Mr. Bennett: They have 15.

Mr. McKessock: I wasn't counting the chairman and the vice-chairman. How much are these directors paid?

Mr. Joyce: They are paid by the meeting. The amount has just been increased. I think it's \$110 a meeting, plus travelling expenses where incurred.

Mr. O'Neil: And hotel expenses too, if they have to stay overnight?

Hon. Mr. Bennett: Yes. While the amount includes \$110 for the day, for the meeting, information relating to each case is submitted to them in advance so that they can do a degree of homework to understand what they will be confronted with at the meeting for decisions and recommendations to the minister, as well as things that relate to policy and whatever else.

Mr. McKessock: Do you think this board has to be that large with 15 members on it?

Hon. Mr. Bennett: I would be hard pressed to say yes or no. If I reduced it, I'd likely find out there'd be some who'd think it should be larger and, if I made it larger, some would think it should be smaller. So 13 was the number at the time we were putting through amendments to the Act in 1973. It appeared to be the number that was acceptable, if I can use that term, to give as much representation as possible across the northeast and central part of the province. You're not going to get every community in, but if you look, you'll see we've tried to spot people from each part of the province that the corporation relates to.

Mr. McKessock: In the 1975-76 report for the Development Corporation, on page 3 it points out that the two significant loan programmes administered by the Development Corporation continue to be the tourist industry programme and the Ontario Business Incentives Programme, OBIP, which replaced the previous Performance Loan Programme.

Hon. Mr. Bennett: If I may correct you, the Performance Loan Programme was out long before OBIP ever came in.

Mr. McKessock: It says here "which replaced the previous performance loan programme."

Hon. Mr. Bennett: What it's saying is that it has some similarities, but it works on an entirely different basis. The old performance loan programme, as some of the other members will recall, had a designated area before one could get in under it. The complications went on from there. We started out with, let's say, 70 communities involved, and before we finished up we were at about 113 or 118 because everybody thought his area, his riding, his own particular constituency should be involved.

Mr. McKessock: Why I'm just pointing this out is that it says OBIP is a significant part of this. I don't see where there were any OBIP loans granted this past year. Is that right?

Hon. Mr. Bennett: Oh, no. There were lots of them granted.

Mr. McKessock: This past year? I didn't notice any of them on the chart.

Mr. Rodgers: They're under OB.

Mr. McKessock: There is one for Pyrotenax of Canada Limited, Trenton, for \$435,000. That is a free interest rate loan with repayment of one instalment in June 1980. Do I get from that that there are no payments made for five years and it is interest free? Is that the way the OBIP loan works?

Mr. Joyce: Yes. The loan was actually at an interest rate of 10.75 per cent for the five-year period, but interest was free for the five-year period. The company was going to repay it one month after the end of the five year period. Therefore, it was put in as free in our listing.

Mr. McKessock: What was that about the one month after the end?

Mr. Joyce: At the end of the five-year period, the company has to repay the loan or else interest starts.

Mr. McKessock: There's no principal in the first five years and no interest. The principal and interest start the sixth year.

Hon. Mr. Bennett: That's right, if they don't pay it off. The commitment is that they will make one lump payment at the end of that period.

Mr. McKessock: Can they have it spread over a yearly term after that five years, or does it have to be paid off?

Mr. Joyce: It has to be paid off under the present terms of the loan.

Mr. McKessock: But they could renegotiate if you put it under another—

Mr. Joyce: That's right.

Mr. McKessock: —ten-year period, or—

Mr. Joyce: Not with an extended forgiveness period. If that's what you meant.

Mr. McKessock: They start to pay interest.

Mr. Joyce: That's correct.

Hon. Mr. Bennett: In other words, the development corporation would be prepared to negotiate with them on the basis as would apply to any other group that maybe accepted a 15-year repayment plan after a five-year forgiveness period.

Mr. McKessock: Other instances here show that the OBIP loans are paying 12.25 per cent.

Hon. Mr. Bennett: That's right.

Mr. McKessock: On Tul Safety Equipment of Hawkesbury, 12.25 per cent, \$129,000, 10 years commencing 1981. How does that loan work? What's the "10 years commencing 1981" mean?

Hon. Mr. Bennett: Tul Safety Equipment of Hawkesbury. Is that the one? It's got a repayment plan that commences with an interest factor of 12.25 per cent, and payments will be spread over a 10-year period.

Mr. McKessock: Commencing?

Hon. Mr. Bennett: In 1981, whatever the month is in this agreement.

Mr. McKessock: Is that commencing in 1981?

Hon. Mr. Bennett: Yes.

Mr. Rodgers: It would be an interest-free period and no payments on principal up to 1981. Commencing in 1981, whatever the month was in the loan agreement, they would then start to pay principal and interest. The full term of the loan is 10 years.

Mr. McKessock: It is interest-free, too, then for—

Mr. Rodgers: Yes, most of the OBIP ones are interest-free for a period of one to five years with an incentive with respect to the repayment of principal.

Mr. McKessock: Why I questioned that, under rate of interest, it said 12.25 per cent and the other one had said free. The difference, I guess, is that the one that is listed at 12.25 has already set up to start paying—

Mr. Rodgers: That's right.

Mr. McKessock: —for a further period where the other company hasn't.

Mr. Minister: since you are in charge of industry, would you do anything to see that sewage projects get priority in the rural communities for funds to allow services to be completed so that services will be in place to allow industry to come in without any hesitation?

Hon. Mr. Bennett: You're referring to our participation with the Ministry of the Environment?

Mr. McKessock: Right, or the Treasurer of Ontario (Mr. McKeough).

Hon. Mr. Bennett: First it goes to the Minister of the Environment (Mr. Kerr), because either he's convinced that it should go ahead or it's not going to be proposed to the Treasurer. We will indicate clearly to Mr. Kerr, or to the ministry people, the importance of having a sewer facility to accommodate whatever it is that's going in. We would not fund it.

Mr. McKessock: No.

Hon. Mr. Bennett: There is provision within the Act that allows for a pollution control equipment loan fund through the development corporation to particular industries.

Mr. McKessock: There are about five communities in my riding where sewer projects have been delayed and I think that the government's priorities are not exactly in the right place. I was wondering if you could also put some pressure on them to see that money is directed into these areas rather than some other areas that seem to be not as important.

Mr. Eakins: Instead of Toronto, just divert it.

Mr. McKessock: Just to bounce back a little bit on funding for small businesses, I really wouldn't care again where the money was made available, whether it was from ODC or someplace else. The small business loan at the bank is great and it's at a good interest rate, it's similar to the farm improvement loan—about eight or nine per cent; it varies—but you can't get it. Is there anything that can be done to see that these loans would

have to be given by the banks? The banks won't give them, I suppose, because they don't make enough money on them, but the loan is there and it's a good loan, if it would be made available to the people.

Hon. Mr. Bennett: I can't really speak to any great extent on it. I've had some people who've mentioned it to me.

I have also had some people, when we mentioned the small business loan, who didn't ask the bank about it and I guess there was no voluntary approach by the bank even suggested to them.

[10:45]

Mr. McKessock: That's right, they wouldn't.

Hon. Mr. Bennett: Again, we suggest strongly to a lot of people who come in to get in touch with our field workers to review with them the different loan programmes, federal and provincial, that are available and to advise them on the various aspects of them, thereby making them knowledgeable. Our field workers through the development corporation quite often will go to a bank with an applicant and assist him in his discussions with the banker as it relates to whatever his needs happen to be.

Mr. McKessock: The problem is that the banks aren't making enough money on it. Maybe if the government would guarantee these loans, that probably wouldn't be enough either; they might have to subsidize them two or three per cent to make the banks give them out. I think we've got to come up with a loan for the man who wants to borrow from \$5,000 to \$20,000 over 10 or 15 years at a reasonable interest rate so that we can keep small business alive and keep it growing and being born. As it dies off now it's hesitant to be replaced, without some form of low interest funding available.

Mr. Joyce: Mr. Chairman, there is a federal government programme which allows for small loans to business—I think it's up to \$50,000—at a considerably lower rate of interest than the prime rate. It was eight per cent, though I think it's been raised slightly from that lately.

Mr. McKessock: Eight per cent?

Mr. Joyce: It was eight per cent, yes. I'm not sure whether that's what it is now.

It's up to the federal government to put any pressure on the banks. The banks will take a certain number of these loans, but because of the fact that they can normally get a considerably higher interest rate on their loans,

they are not all that keen on taking a great volume.

Mr. McKessock: Thanks, I appreciate that. There is one other thing, Mr. Minister. As you know, the Markdale shoe factory is due to close January 8 and Palmerston has a couple of empty factories. What does your ministry do to work with these municipalities and with businesses that would like to move to these municipalities? How do you communicate?

Hon. Mr. Bennett: Mr. Chairman, I think in fairness we have been through that whole programme in a previous vote. We went through that because it was asked by members of your own party. Our field workers are kept abreast and keep the municipalities abreast of what is developing in the field of industrial opportunities. They know from very close relationship to each community across Ontario what is available, the services, the infrastructure and so on. When we have industries that are looking for an opportunity to establish in the province we will try to relate them to a market position that has all of the things they require. It could very well be the immediate availability of a plant that is presently not occupied. It could be very high on the priority list. Our relationship is very good with the municipalities and we work with them constantly.

Mr. McKessock: So the municipality should contact you with what they have available? How often?

Hon. Mr. Bennett: Just as I indicated to the committee, each year we have an assessment report by each municipality of its own facilities, accommodation and so on.

Mr. McKessock: Do they all send these in to you?

Hon. Mr. Bennett: Let's put it this way, if they don't have enough interest to send it in to me then there's not a great deal I can do for them.

Mr. McKessock: Do you request that they send it in? Do you send a letter out to them respecting it?

Hon. Mr. Bennett: Yes, directly to the clerk or to the mayor or the industrial commission, whoever answers for the industrial opportunities within that community. In other words, they will tell us exactly what exists in that community, lock, stock and barrel. They will tell us of the facilities that are there, the housing, the industrial land available, type of servicing, hydro capacity, water capacity,

sewage capacity, other things such as recreation facilities, parks, rinks, churches—things that obviously if an industrialist wants to come to a community he has to know first hand so that not only can he make some wise decisions, but he has somebody doing some planning. That report could also include the number of square footage not presently occupied that is available for expansion in a community.

Mr. Wildman: I want to talk a little bit about the north shore of Lake Huron where, as the minister knows, we suffer from over 20 per cent unemployment. I am looking at the list that the minister kindly gave to us of the loans in each riding. For Algoma, I have added up the total number of loans—industrial mortgage loans, tourist industry loans and one OBIP loan—for the north shore. According to my figures it works out to a little over \$1 million.

Looking at the companies that have received these different types of loans, I really wonder what we are getting for our money when we see that the loans were made to Champlain Forest Products, which is the largest one at \$500,000, Algocraft and Custom Lumber. Sullivan Trailer and Equipment Manufacturing got two loans. Then there are some tourist loans. The manufacturing loans are the ones I want to talk about specifically here. I would just like to know whether the ministry and the NODC think they have got very much for the loan capital given out.

Hon. Mr. Bennett: I take it you are referring to whether the businesses have accomplished what they were originally projected to do.

Mr. Wildman: I want to know if they have led to industrial development on the north shore or if they have provided employment and if they are continuing to do so.

Hon. Mr. Bennett: At the time some of these industrial mortgages were considered, the company had potential in opening up some new opportunities of employment. You are well aware of the fact that Champlain Forest Products is in trouble, as most lumbering or paper mill operations across the province are in trouble, because of market conditions not in Canada but throughout North America. I suppose we would have to be honest and say that they haven't produced what they were projecting at the time. But there again, the economics of it at the time didn't appear to have the downturn that we have now experienced. If we were to have taken any other attitude, it could be said that

we weren't doing anything to assist in trying to bring about an economic improvement.

Mr. Wildman: I am not opposed to the industry trying to do something. I am just concerned whether they are really achieving what they are trying to achieve. It seems to me on looking at those industrial mortgage loans, all but one of those companies have now shut down or have gone bankrupt.

Hon. Mr. Bennett: All but one have gone bankrupt?

Mr. Wildman: As far as I know. And Champlain Forest Products is shut down.

Hon. Mr. Bennett: Yes, it is.

Mr. Wildman: Sullivan Trailer and Equipment Manufacturing is shut down. Custom Lumber, if it isn't shut down, is in pretty serious trouble.

Hon. Mr. Bennett: I agree with you on Custom Lumber and again I repeat the lumber industry per se is in trouble. This isn't the only area of the province where we have got loans to lumber companies, and they are all in some trouble. The only positive thing I can look at is, as time marches on, we have security in these operations inasmuch as we had mortgages on the property. They are also in place for when the market conditions have an upturn, and I think they will.

Mr. Wildman: By coincidence I have just received two letters from individuals in my constituency in the last couple of weeks. I won't give the names, but I will mention that the first letter comes from Blind River. I just want to read one portion of it. This gentleman used to work at Champlain. He says, "What are you doing to get industry into this town? I heard that the veneer mill might reopen, but I phoned Mr. Kauffmann and he said he didn't know. I hope you have a nice Christmas for your family. My family and I won't have one because of the fact that the LIP grants have been cut back this year, which means no jobs." That is not a fellow who is writing because he doesn't feel what he is saying.

Hon. Mr. Bennett: What company was that, or where was that?

Mr. Wildman: Blind River.

Mr. Joyce: That would be Champlain.

Mr. Wildman: This one is from a gentleman who used to work for Sullivan Trailer and Equipment Manufacturing. He isn't quite in the same desperate situation as the other

gentleman. He wants to find out how he can get Sullivan open again, and he writes here asking me if I can indicate to him who or what agency could help to get this company open again.

He says: "I have worked for a year and a half for this company and I know the trailers inside out. I'm sick and tired of trying to scrape by for my wife and three children on peanuts, so if it were at all possible to get this trailer company started again, I'd like to run it. Not only could I make a better living, but I would create jobs for those 15 men who have been set back by this company folding up. At the present I am working right next door to this new building"—the building that was built by Sullivan—"and I can't help but wonder why the government would let a brand new building and all its contents just sit idle, not being used to help a little bit with Canada's unemployment problem. If you would be so kind as to look into this matter I would greatly appreciate it."

Hon. Mr. Bennett: The only thing I know about Sullivan is we had a discussion with Sullivan's principals and they were at one time, back two or three months ago, attempting to work into an amalgamation of companies, and I have no further knowledge. That's a decision that they, of course, will have to render, or make. It would appear that if they had made the association or amalgamation it would have likely given some stability to market position.

Mr. Rodgers: Mr. MacMillan knows something about it.

Mr. MacMillan: Apparently there is a receiver-manager who is in charge of the plant and he has—

Mr. Wildman: Are you talking about Sullivan now?

Mr. MacMillan: Yes, Sullivan Trailer.

Mr. Wildman: Okay, I want to get into Champlain after.

Mr. MacMillan: He has been endeavouring to sell the plant. He has advertised it publicly. He hasn't got suitable offers and he is trying to work through private parties to try and revive the plant, but there is nothing definite or positive at this stage.

Mr. Wildman: Okay, I just want to make clear that I have had no acquaintance with either of these two gentlemen who wrote me these letters in the past, and so it wasn't self-serving when I introduced those. I in-

troduced those as a way to try to indicate to this committee and to the ministry and to the corporation how serious the unemployment problem is on the north shore and the need for development and the need for development that will be lasting and will produce jobs and development, not to pour money into something and then have the thing shut down a few years after it starts up. I think we need some kind of forward planning to ensure that a company is going to be viable. I understand what you are saying about the forest industry, and also Sullivan Trailer ran into problems because of the paper strike. They were working so close to the wire that the long strike meant the companies weren't purchasing trailers.

Hon. Mr. Bennett: They also attempted, and I guess you have got to give them full marks, they attempted to change the type of trailer structure to find a new market for themselves, which is a very costly programme to get into.

Mr. Eakins: What type of trailer are you speaking of?

Mr. Wildman: They are log trailers. Okay? In regard to Blind River, I understand that Winlock Veneer is finally apparently closing a deal. It's been over a year now. MNR worked out a volume agreement between Fabris and Centralia, the parent company of Winlock, a long time ago. They have been stalling around and stalling around and seem to be trying to make up their minds but not sure what they are going to do for a long time. I was informed yesterday that NODC had signed the agreement November 30 and it had gone to the lawyers and the deal was to close yesterday, December 1.

[11:00]

It's kind of ironic that the member for Algoma-Manitoulin (Mr. Lane) is not here because he was involved along with a lot of other people, including myself, in trying to bring about the volume agreement with MNR with Fabris. It is also rather ironic now that Fabris because of financial and maybe even legal problems is apparently having to leave Elliot Lake. Fabris has limits, but appears that is not going to have any mill. I'd like to know how that might affect Blind River and the Winlock operation. Apparently Fabris would like to come into Blind River, but he's got a pretty big problem in that he thinks that the Granary Lake road has to be built in order for his operation to be viable. I think for 40 years now Blind River has been trying to get the Granary Lake road built. Maybe it's not that long, maybe only 20.

Mr. Conway: Normal NDP hyperbole.

Mr. Eakins: It just seems that long.

Mr. Wildman: Yes, it seems that long. MTC informed me last year that they wouldn't build the road because it would cost \$5 million and they were going to spend \$2 million on the present highway from Elliot Lake to Highway 17. I'd like to know if anybody in your ministry has been pressing MTC to come to their senses. It would be good for both Elliot Lake and Blind River.

I'd like to know whether the deal has closed. If it has, when does the company figure it can start up and how many men will it employ in Blind River? Is there going to be any kind of long-term possibility here? My understanding is that there just isn't good enough wood left. They have been guaranteed by MNR five years of veneer logs at the volume they're prepared to work at. But there just isn't very much good timber left in that area.

Hon. Mr. Bennett: Not for that purpose.

Mr. Wildman: For veneer, right. If they had a sawmilling operation, it would be all right, yes. Also as to whether Fabris' problems will affect the situation, what can you tell me about this situation? The people in Blind River have been waiting for over a year with the promise that the mill may reopen and if it does, when, and how many men.

Mr. MacMillan: That's Jorgensen now.

Mr. Wildman: Jorgensen, yes.

Hon. Mr. Bennett: Mr. MacMillan has some detail on this.

Mr. MacMillan: The arrangement the receiver who was in charge of this plant is making as far as the Northern Ontario Development Corporation is concerned is that it will be a cash transaction. When the plant is closed, the Northern Ontario Development Corporation will no longer have an interest in it. As far as we understand, when the transaction does close, they will be employing some people there but it won't be on the scale of the operation by Champlain Forest Products. As far as the Fabris situation goes, we haven't had any indication that this was going to affect the arrangements for the logging and the cutting with the new people.

Mr. Wildman: You don't know whether they finally closed the deal or, if they did, how many men it will actually employ.

Mr. MacMillan: No, I don't have information on either of those points. We were told that the deal was to be closed some time in December, and we haven't had a report from our lawyers.

Mr. Wildman: We've been told the deal is going to close about five or six times this year.

Mr. MacMillan: Yes.

Mr. Wildman: If you can get that kind of information for me, I'd like to know what's happening with it. I'd like to know how many men this is going to employ.

Hon. Mr. Bennett: As soon as the deal is completed, then I have no doubts there will be a public statement made as to what it means.

Mr. Wildman: I'm sure there will be.

Hon. Mr. Bennett: You have to go very carefully when you're dealing with pretty well an exclusive purchaser situation because you're not going to find a half a dozen lying up at your front door.

Mr. Wildman: Not in that operation.

Hon. Mr. Bennett: You deal with a great deal of care and caution and also with a degree of control of what's said.

Mr. Wildman: You can probably understand that there are all kinds of rumours running around because nobody knows what's happening.

Hon. Mr. Bennett: Every time you have a deal that starts to develop there are rumours galore. I wish the rumours were authentic sometimes.

Mr. Wildman: Okay. I just want to ask one other thing, what autonomy does NODC have? Why is it you have to phone Toronto to find out what's going to be done about a northern project? What autonomy does it have, and what assurance can you give us that when NODC decides to make a loan it's not going to end up like four of these five loans on the north shore; that you're going to have people finally getting a job, their expectations rise and then a few years later everything shuts down and they're worse off than if they'd never had a job in the first place? We need development there.

Hon. Mr. Bennett: First of all, I can give you no assurance, absolutely none. If I could give you that assurance, I likely wouldn't be in the ministry, I'd likely be the chairman

of some banking system in this country, because that's the kind of insurance they'd like to have on every deal they make as well, that whatever it is they're going to have a long range protected position with their returns.

The ministry analyses each application. In turn, they advise the NODC board of directors, because they're concerned, as I said earlier, that you should put public funds into developing an industry and through the period, if there's a forgiveness or a soft point of repayment to someone, they survive and prosper and all of a sudden when they're challenged to cover the whole cost, the bottom falls out or the economy goes wrong, and the fact that you've created the jobs and service industry around it really have got you in hot water. We try to make sure as best we can that the long range potential is guaranteed for the survival of that particular operation.

You wonder about the autonomy. The board of directors from northern Ontario have the rights, first of all, to sit on the Ontario Development Corporation board as it relates to policy, policy that can be designed and developed that specifically relates itself to the northern part of the province of Ontario, as is typical of those from eastern Ontario. They will analyse the applications by consultants who are retained by us in northern Ontario, in the various communities across the north, who, we believe, have a fairly intimate relationship to the communities they deal with and the people they're dealing with.

In turn, the recommendations that relate to loans will be made not by the Ontario Development Corporation in Toronto or EODC in eastern Ontario, they will be made only by the NODC board of directors to me.

Mr. Wildman: I can tell you as a fact that on a number of occasions when I have phoned Sudbury to find out what's happening with a particular application or whatever—I wouldn't say the majority but on a number—I've been told that I have to phone Toronto.

Hon. Mr. Bennett: What was it relating to? Disbursement?

Mr. Wildman: Yes, or—

Hon. Mr. Bennett: Disbursement does take place out of Toronto. We have one central agency, the general office, that looks after the disbursement of funds and the accounting for funds, but the control and the right to handle applications and recommendations comes from

the north. It doesn't come from Toronto. There's no sense in having a major office located in eastern Ontario tripling the management requirements, that is the personnel requirements, one in eastern, one in northern, one in central Ontario or Toronto.

Mr. Wildman: I'll tell you, when I've been trying to find out what's happening with this Champlain mill the people in Sudbury didn't even know about it.

Hon. Mr. Bennett: Of course, it's in the hands of receivers.

Mr. Wildman: Right.

Hon. Mr. Bennett: So we wouldn't know. They'll report to us on occasion. I'm not sure whether the receiver was appointed by the court for Champlain Forest Products.

Mr. Joyce: I'm not sure in that case either. There are the two ways, the court appointment and we have the power under our debenture in some cases to request the appointment.

Mr. Rodgers: However, we can't act without a court consent eventually.

Mr. Wildman: I won't belabour this because I know other members want to get in, but if I seem kind of frustrated I'm sure you can understand that on the north shore we have a serious economic problem. We need development. As long as secondary manufacturing continues to be developed in southern Ontario using resources from northern Ontario, then we're also exporting jobs and it means that we have economic stagnation along the north shore. If only this government would make a commitment to preserve farm land, for one thing, in southern Ontario and direct development into areas of northern Ontario and eastern Ontario where we don't have good farm land, we would be solving two very serious problems in this province. I think it's about time that the government made a commitment to ensure that if a company wants to use northern resources it will do it in the north, that is, if something is mined in the north, it will be refined in the north.

Mr. Chairman: I have the following list of speakers: Conway, Angus, Eakins, O'Neil, Johnson and Cassidy.

Mr. Conway: I think it would be very remiss of us, particularly the members from eastern Ontario, Cornwall and Renfrew North in particular, not to begin this morning by congratulating our colleague from Ottawa South (Mr. Bennett), who is departing our

bachelor midst. I, for one, would hope there might be some support for that new corporate enterprise, if not in EODC, then in the other higher echelons of the Ontario government.

Hon. Mr. Bennett: Is that a forgivable loan?

Mr. Angus: There is no forgiveness there. You can't back out of this.

Hon. Mr. Bennett: Let me say that I hope it is long-term but doesn't run into as many difficulties.

Mr. Conway: I just hope the announcement from high atop the CN tower was of no significance. I want to be brief as usual but to begin by asking one or two or three questions on what has become a most interesting and, I think, unfortunate situation for the credibility of the eastern Ontario Development Corporation in Renfrew. I know Mr. Rodgers is here and I know he is as well aware as the minister is of the Gomes Yarns situation. If ever there was a peculiar development, if ever this government got involved in a regrettable enterprise and got its fingers, if not a few other aspects, badly burned, it must be in that Gomes Yarns scandal. It literally looks like a scandal to those of us who look on from the sidelines.

I wonder if I could ask Mr. Rodgers, whom I noticed on a rerun again the other day on an Ottawa television special, where we stand presently with the Gomes Yarns situation.

Mr. Rodgers: I agree. I wish I had the benefits or the rights to that TV programme, I'd be fairly well off.

Mr. Conway: By the way, did you agree with what was presented there? Was it a reasonable presentation?

Mr. Rodgers: I think it was a reasonable presentation. As far as we are concerned with the Gomes situation, we have no recourse against any of the assets and we have suffered all of the losses that we are going to suffer.

Mr. Conway: In the amount roughly of \$172,000?

Mr. Rodgers: Yes.

Mr. Conway: What I want to know is how was it—given the normal and reasonably protective measures you take to guarantee your security in these rather high-risk endeavours—how was it that such a discernible swindle could take you for such a ride?

Mr. Rodgers: Those are your words.

Mr. Conway: Yes, they are.

Mr. Rodgers: I won't argue with them. I think at the outset we took all the reasonable precautions that we could and do take in normal lending processes and normal investigation with respect to the disbursement of funds. This particular account did get into some very serious difficulties fairly quickly. As a result and following procedures that we often adopt when companies get into trouble, we might step back to let other lenders come in ahead of us because our role is not that of a primary lender in most instances. We stepped back from a number of positions that we had at the outset with Gomes in order to give it additional funds to get under way as it was experiencing a lot of difficulty for that type of industry. In stepping back, we leave ourselves exposed. If in the final analysis the company does fail, we really haven't much recourse as we have given up our security position to others in an effort to keep the company going.

Mr. Conway: I can appreciate that but I know the member for Ottawa South can appreciate with me that when somebody comes along to the Ottawa Valley and says he is going to start this metallic yarn business, then that is probably the time when you really take a look at it. It is not as though it were a mainline or traditional economic enterprise. What strikes me about that Gomes Yarns business is the peculiarity of the enterprise to begin with. I am wondering if that didn't sort of alert you to something. When I go through the list of disbursements in the industrial or manufacturing sector, we've got concrete—I'm just looking at some of the ones up my way—a lot of lumber and timber. There are very few metallic yarn enterprises with which government or business normally gets involved.

[11:15]

In Renfrew under these conditions, I can remember when I was not involved in public affairs at any level, people asking me what was going on. The management that was involved was also out-of-town so to speak. I'm wondering if you had no suspicions, because I think the programme and all the press made clear that DREE for once in its life exercised a bit of caution and I think, if I'm not mistaken, did not get involved in that particular enterprise. They have had, as you know, a very bad record in Renfrew.

Mr. Rodgers: DREE often does not get involved, even though it admits that it wants

to get involved, but it is very cute about backing out at the last moment.

Mr. Conway: They said that they backed out for reasons here.

Mr. Rodgers: Which they haven't expressed, as far as I am aware.

Mr. Conway: The reasons as I understand them were that they were quite concerned about the viability of this enterprise.

Mr. Rodgers: When we looked at the situation our record reveals that at the time Mr. Gomes came to the Renfrew area to talk to the people in that area, he was encouraging local people to get involved, and it was quite a bit of local interest that then spilled over into encouraging the development corporation to come along with them in this project. At that particular time in the garment trade there was a real trend in women's fashions and in the regalia, that is to do with the Shrine and so on, that have all of these metallic crests, there was a fair demand for metallic thread. Because of the markets in Canada being developed, and perhaps markets into the United States, it probably made more sense, rather than most of it being imported from England, where it was manufactured and to a large degree down in Goa, where Mr. Gomes came from, it would probably be a good industry to get established in Canada, because the demand was such that there was a long waiting period for that particular type of product and the demand from the garment industry was increasing and it looked fairly viable to set that type of industry up here. As it evolved, Gomes had the equipment, which was to come from Goa to Renfrew to set up and that equipment was to be part of his equity, and when you look at it in the cold hard light of an application coming to you and the investigation that was done, it looked fairly viable at the outset. However it didn't evolve.

Mr. Conway: In fairness to the corporation, what is strange to me about it is most of the disbursements you've made traditionally around the Renfrew area are to someone like myself very understandable. I see Phanenhour Lumber in here. I know them to be a fairly well-known Renfrew enterprise. I know that it's not the business of the corporation, as you explained, the programme to be supporting well-known local enterprises all the time. But this thing, this gentleman arriving from Goa, I believe, with this plant was interesting, because the fellows who came in on the programme as well as the local press identified what was there as almost worthless. I

think the EODC got itself in a position where it was under the impression that what was there in plant was worth several tens of thousands of dollars. Am I not right?

Mr. Rodgers: At the outset, yes, we would have taken that view.

Mr. Conway: I understand that it is just a veritable scrap heap and that the people who, in fact, were brought in to take a look at it later found that most of what was there was worthless but, worse still, most of what was there had never really been used and that, in fact, disbursements had preceded apace on the assumption and presumably on the basis of information that there had been production taking place.

Mr. Rodgers: There had been limited production.

Mr. Conway: By all accounts it was very limited production.

Mr. Rodgers: We were aware of the limited production. There is no doubt about that.

Mr. Conway: It didn't even at that point concern you? There are a number of checks and balances in your programme here.

Mr. Rodgers: Are you asking me when we became concerned?

Mr. Conway: Oh, I know you became concerned and I think the obvious time of concern was a little bit too late, because I also point out to you the fact that there was another thread in this and that became apparent to Justice—

Mr. Wildman: Another thread in the yarn?

Mr. Conway: A point for the member for Algoma. Justice Claire L'Heureux-Dubé in her report on immigration practices, points out the exotic goings-on in the Manpower aspect of that programme, which were quite fascinating indeed, to me, as a picture, the thing was incredible from the outset and in its entirety, and the end result is that the Eastern Ontario Development Corporation has been, I think, swindled out of \$172,000.

Mr. Rodgers: We were not the only jurisdiction which was looking very actively at having that type of an industry, and having that industry and those principals locate in its jurisdiction.

Mr. Conway: Who else?

Mr. Rodgers: You might say, at this stage, that we were the unlucky ones. The Renfrew

industrial commissioner had been to Goa, and had looked at the operation there. When they came back they were most enthusiastic about it and the people who had been involved in it participated with us in endeavouring to get a good viable industry going. It didn't work out. We're not saying that we're 100 per cent sure all the time. This one—

Mr. Conway: No, I can sympathize with you on that. I know that the accord struck particularly between the investor and the Renfrew industrial commission was a hearty one. It's our experience generally with government agencies like the Ontario Development Corporation that the moneys, of course, flow but are very often hard to come by once the commitment is made and certain stringent regulations which are in place here take effect.

It just amazes me that on this one of which I would be suspicious and, I'm sure, silently the member for Ottawa South would be as well, knowing as much as he does about the Ottawa Valley, that looking at the details of this sketch, he would sit back probably and say to himself—privately I'm sure; never publicly—that there is some interest and some usefulness to be served by paying very close attention. The fact is so many of the checks and balances, which I think are defensible and understandable, were waived on this, producing in the end the jackpot we now have in Renfrew with Gomes Yarns. What's the lesson there for you people? Obviously the lesson is that you've lost a lot of money. What else have—

Mr. Rodgers: You learn by experience, don't you? Audit procedures are set up usually after the fact.

Mr. Conway: Have you reacted to the complaints of many that the examination of on-site production should have been a little more thorough? You're quite right when you say there was some production but I think that in terms of plant it was probably about two or three per cent. From the indications we now have that was all that was there as the programme pointed out. I use the programme because it best summarized all the details.

I'd be interested, by the way, to know if there is any ministerial material on this which might enlighten us further or edify us to the extent that we might be able to comment in a more informed way. I'd appreciate it. I don't know whether you've done a report as such on that but if you have, I'd certainly appreciate it; but perhaps you haven't—most

of the information you're providing here this morning.

The programme indicated that much of the plant was decrepit, to say the least, and there'd been a fresh coat of grey paint on all this junk but it had never ever been turned. It struck me as amazing that a representative of your ministry, or of your corporation, would go in there because I think I know how most of these people work and they work very effectively. They take a look around and really, it takes, 10 seconds to find out or to discover a fraud like that in production. Somehow that didn't happen and it just amazes me because I know the plant and I don't know how that could ever happen.

Mr. Rodgers: I don't think the corporation was lax in the number of times it did go.

Mr. Conway: I'm not saying the number but obviously there was something wrong because when you walk in there and see that 80 per cent of the plant is freshly painted and presumably in production but obviously has never turned an axle, you have to be suspicious. If you're not there's something wrong.

Mr. Rodgers: If you knew the type of machinery that was in there, there were several different types of yarns and laces to be developed. The basic product was a gold thread. The others were to come after the gold thread end of it was established and local people had been trained enough to operate this wire-drawing equipment, which really it was.

We were under the impression as well that that equipment was single-purpose equipment. We have subsequently found out that there is probably other equipment in Canada more sophisticated than that.

Mr. Conway: I must say at that point, Mr. Rodgers, and I can't avoid the comment, I don't think we got much gold thread but Mr. Gomes certainly spun a golden yarn for the Ontario taxpayer.

Mr. Angus: That's almost as bad as his.

Mr. Conway: I know that this is something that you've been involved in and I just wanted to put some of it on the record. The tragedy of this is that the whole theoretical outline for something like the Eastern Ontario Development Corporation is an important respectable and valid one, like DREE. I think of Renfrew because Renfrew has really had a tough, tough time. They have

been involved at both the federal and provincial levels in some of the most indescribable governmental horror stories that one town of 8,800 people. I think, could ever imagine to be involved in. As I mentioned earlier, I think some of the DREE involvement in Renfrew was almost indefensible and I'm just talking from the point of view of the credibility of government's involvement at that level.

That's the tragedy here, and not that some fly-by-night operator landed overnight from Goa and, for all good reasons, I suppose, convinced a number of local people and a number of people in your corporation and perhaps others that he was viable. What really bothers me is when I see a judicial inquiry pointing out the seamy, ugly, rotten aspects of the manpower side. That's when I really get sick because, if this was just isolated here, I wouldn't be as upset. But I look at that judicial inquiry and I see some of what is related there and I have to say to myself this fellow really was not very much of an addition. Tell me, is he still in Rio de Janeiro?

Mr. Rodgers: We don't have any idea where he is.

Mr. Conway: I've perhaps spoken too much. Did the minister wish to make a comment on that?

Hon. Mr. Bennett: No. At times you have a situation where there's a fair amount of pressure brought about by the local industrial commissioner who is hounding you and who believes in it and is able to present an excellent report. I'm not putting the responsibility back on him, but as you would have us to do, we work closely with the industrial commissioners of the various communities for their input as to the applicants. As I say, a number of them do come through the industrial commissioner to start with. That doesn't justify having been taken by this individual. In the three or four years I've been the minister, I doubt if there's been any other application or loan granted where we were actually turned around backwards by the individual. I've never met him. I have no idea what his ability is to speak, but obviously he had some influence in his application.

I think of Renfrew and some of the other loans we've made which have been rather productive, even though at the moment they're a little weak in their position. Square D is one, the trailer company, which had a factor of employment in Arnprior.

Mr. Conway: All of those are so understandable. That's what strikes me about the dozen or so loans that have been made there. If not immediately supportable from my point of view, they're all certainly understandable. Then all of a sudden we get Comes Yarns and I say to myself, really now that—

Hon. Mr. Bennett: If you had somebody come in and ask you about opening up a pine oil industry or a charcoal industry—

Mr. Conway: That's wood-related.

Hon. Mr. Bennett: There are people who all of a sudden start to do a little bit of a two-step on that one as well. If you think you can get burned in yarns you want to try charcoal.

Mr. Conway: This is proceeding apace. I have one final comment about that. I want to just review again with Mr. Rodgers the rationale for waiving your security rights on that. What was the argument again?

Mr. Rodgers: It's nothing unusual for us. If we get into a proposition and we're going along and additional costs might come about with respect to the establishment of the industry—as far as capital costs are concerned, it might take them a lot longer to get under way and get into a profitable venture—then we would allow other lenders to come in and take a position ahead of us. In other words, rather than put more government money into it, we might step back and limit our loss at that time to the amount of money that we've got exposed or limit our investment at that time.

We may have also reached the maximum amount that we're prepared to put in or that we're permitted to put in with respect to a programme, but the only way that the venture can succeed or carry along and keep going is that it needs more dollars. We may not be prepared to do it, but if another lender comes along and says: I'd like to take the security that ODC has. Would you consider it?" we would look at it. We do it on a number of occasions.

[11:30]

Mr. Conway: The frightening thing about that is that at that point the axe didn't fall, because at that point all the earlier inhibitions that I would have—maybe I am just the odd man out here, but all the inhibitions that I might have had at that point, I think would have just stopped that business—

Mr. Rodgers: Our money is committed at that point. It is in there; it is invested. You

might say it needs more dollars to go; we would look at it and make that concession.

Mr. Conway: Basically, then, the decision was that you had no real choice.

Mr. Rodgers: No real choice. Either you close it out at that time and the jobs are lost; you might have some hope that it would turn about. At that stage of the game, when we were also giving up our positions, that final situation with respect to the commission that was going on in Montreal was not known to us.

Mr. Conway: I just hope that the Gomes Yarns story is at an end. If we can ever recover the \$172,000, I would be very happy for the people of Renfrew. I hope that the credibility of the corporation hasn't been too seriously compromised. I don't think it has. But certainly it has not helped in this particular regard.

Mr. Minister: just one or two quick comments about other matters. Like the member for Algoma, I have northern domains in my riding. Like the minister, I have an eastern domain in Renfrew North. I want to talk briefly about the situation to which I directed some attention in the estimates last year, about the pattern of disbursements in and around Renfrew county. I don't think it needs reiteration here that we are not perhaps as near full employment in the Renfrew county area as we would like to be; therefore, I always look with interest to the pattern of disbursements that is pursued and is obvious in your yearly statement.

Last year, I recall drawing to your attention that there was not one manufacturing or industrial loan made in the Pembroke area of my riding, which is really the industrial centre of the county—most of the county at any rate. In looking at the disbursements for this year, I was surprised and chagrined to note that there are only two disbursements totally, both of them relating to the tourist aspect: Harvey Forrest got \$200,000 at Edgetown and Kanukawa Camp got really the second portion of their entitlement, the first portion coming last year.

I must also note that I know to be the case that there have been some manufacturing-oriented awards which were made subsequent to this; I know of at least one. But I am surprised again to see the EODC somehow missing the industrial centre of Renfrew county in the sense that not one disbursement is made and recorded in the year 1975-76. I am unhappy and concerned about that, and I wonder what possible justification there could be for that considering,

for example, that in the past year we have had, thanks to the hon. member for Chatham-Kent (Mr. McKeough), a very interesting statement called the Renfrew county development strategy, which lays bare the problems of which I now speak.

I am sort of wondering what is going on here. Who or what is to blame for a relative poverty of disbursements, given again the rather spectacular record for some other towns? I looked at Bancroft, for example. Perhaps it has something to do with the local member.

Mr. Riddell: Isn't that Clarke Rollins' area?

Hon. Mr. Bennett: It has nothing to do with the local member, Mr. Chairman. There are a number of ridings in this province that didn't secure any loan programmes whatsoever. As long as the member, Mr. Conway, keeps very clearly in mind that the loan disbursements are upon application by an industry or an individual who thinks he has a justified type of operation that could qualify under the loan programme. It is not a matter of this ministry, NODC, EODC or ODC deciding that Pembroke should get \$500,000 or any other sum of money. If somebody in a riding believes that his industry or business requires funds, he makes an application; and, providing he meets the regulations and requirements, he gets it.

I don't think every member can look at the fact that his riding should have got X dollars over the period of the last fiscal year.

Mr. Conway: I agree with you. But I don't know whether every member has, courtesy of the Treasury, a statement like this, which is almost an indictment and which says some pretty serious things about the economic environment of his particular area; in this case it is my home area. We talked about this last year. I guess we are to assume, and I am to take back to Pembroke—particularly Pembroke and Petawawa, which represent the major industrial centre in the county—that applications are not coming as quickly as they should be. That is what we discussed last year, and I think the implication—

Hon. Mr. Bennett: I don't know if you recall when I spoke on one occasion when you were with me in your riding, along with Mr. Kennedy, the industrial commissioner from Pembroke, and Mr. Brown, the mayor of Pembroke. I said to them that one of the things that amazed me, with all the cries about requiring funding and assistance in the industry, was that our people in the Eastern Ontario Development Corporation had not even been approached about loan funding

being made to them, which rather surprised me.

Paul Kennedy was amazed. Paul has all the information, as has the mayor, as have the industrial people in the other communities, as have the mayors in the other communities, because we've met with them time and again. So it is not a matter of not having sufficient information. How they assimilate the information from the industrial commissioner's point of view, I would be hard pressed to know. But knowing the effectiveness of that group, particularly in Pembroke, in luring new industries into the community, I'm sure that if Mr. Kennedy found the opportunity to persuade somebody to make application to the EODC such would take place.

Mr. Conway: Obviously we are just going to have to be a little more systematic, because I think I can identify seven to 10 specific concerns that I will arrange through Paul, because I find a contradiction between what I see here and what I read here.

Hon. Mr. Bennett: I don't know what the contradiction is. This here is a matter of an individual or company having a desire to secure provincial funding, either under a special programme or under a straight industrial mortgage programme, to either establish, expand or upgrade the facilities he presently has.

Mr. Conway: Let me be a little more direct then, Mr. Minister. Are you, as an eastern Ontario member of the Legislature, surprised at the fact, knowing what you do about the Pembroke area, that there is not this year one industrial manufacturing concern being supported through the EODC—yes or no?

Hon. Mr. Bennett: No.

Mr. Conway: You are not surprised?

Hon. Mr. Bennett: I am not surprised about any of these things, because new industries moved into Pembroke, and there have been a number of them. In that industrial part there have been several new plants opened, because I toured them. Most of them have been able to secure funding in the private sector, where it really should be done.

Just so long as we keep clearly in mind that the development corporation is the lender of last resort, it is not the first financier of any project. I think we have to admit that those companies that have moved into Pembroke, from what I know of them, are fairly well able to secure funding from the private sector.

Mr. Conway: To be sure, in some cases, but I am surprised to hear you say some of that because the implications—and I'm not going to bore everyone here with reading parts of this, but the Renfrew county development strategy points specifically to the need on behalf of government to move in, particularly in the Pembroke area, and support, for example, concerns in industry, and they identified two or three—

Hon. Mr. Bennett: Read what it says. It talks about infrastructure and so on. That is exactly one of the things that group is doing, I think, Mr. Conway, if you are aware of their programmes and so on, is to try and provide funding for sewer and water facilities, sewage treatment facilities, to allow for their industrial expansion and development.

Mr. Conway: Certainly, but what they are saying too is that the historic problems of Renfrew county, lumber-based as it has been, are getting to the point—and the unemployment figures point to this in many cases—where we are going to have to be considering replacing much of the lumber-based dependency, and they suggest, for example, certain metal fabrication concerns and I believe that is one of the ones you supported recently and I want to commend you for that. I am just saying that I think the report makes it clear that the economic difficulties of Pembroke, like much of eastern Ontario, are serious and real and that I am amazed—all that you say about the industrial park is correct, although there has been significant relocation in that industrial park, it is not all new industry.

Hon. Mr. Bennett: But interesting expansion in those relations, too.

Mr. Conway: Absolutely. I am just saying that when I pick up the list I find that during this particular year and during last year, over the two-year period, there isn't one manufacturing concern deserving of attention from the EODC.

Hon. Mr. Bennett: No, let's get it straight now. The initiative comes from the applicant.

Mr. Conway: All right. I just look at Pembroke and I don't see anything, and I look at Renfrew, I look at Cornwall, I look at Brockville, I look at Bancroft and they all seem to qualify, and I know them to be in many cases roughly the same kind of communities, some better and some worse. I am just surprised by the fact that yet again Pembroke has not seemed to qualify. I am personally remiss and partly responsible for some of this because

I'll guarantee and personally supervise about a dozen applications between now and next spring. I know of people who are very interested but perhaps we haven't done the sales pitch to the ministry as it should have been done. I am not going to shirk my responsibility in that regard.

Hon. Mr. Bennett: It's not a sales pitch. It's just a straight processing of applications. I have said, time and again, and I am sure all the hon. members have read it in newspapers, that I am absolutely astonished when I go into some communities which sit back and tell me about their hardpressed situations—and I'm referring as well to tourist loans, may I say—that we haven't had more direct response to the programmes which have been put in place.

Mr. Conway: One final comment and that is surely the EODC has to be an instrument—a keen, sensitive and significant instrument—for any strategic approach to the economic revival of eastern Ontario regions such as my own. If the Treasurer is not going to use materials such as readily available corporations like the ODC and the EODC to do the kinds of things he wants to do to improve the general economic base, I am sure you will agree with me—he's talking about Renfrew county development strategy and what has to be done.

Hon. Mr. Bennett: Right.

Mr. Conway: I'm just saying I agree with all that's there and the one available tool he's got is the EODC

I presume, for example, that a lot of these tourist loans which are being provided are paying some attention to what you want to do in Timbertown. If they are not, I think it is a contradictory jackpot. I think if you are not planning in a way to support the—I was going to ask about some of the disbursements along tourist lines. I noticed there is a very strong pattern to some of the areas between Renfrew and Arnprior; I think there are three or four or five in the Calabogie area. I know Mr. Yakubuski would be pleased to know that and I am sure he is aware of it.

I'm interested in knowing where this tourist Timbertown development is going. I look at that and I say to myself if there is any pattern which can be read into some of these disbursements over the past two or three years I would have to say it is going to go down in that area. That is where they are now supporting, with their dollars, the tourist infrastructure, if you want to call it that, which is there.

I will be very interested in knowing when and where that Timbertown development goes. I will have some comments on it. I was interested to note in the paper the other day that you said no announcement would be made until at least after the municipal elections. I was going to ask, uncharitably as it might sound, if it was a policy of this government to have major statements dependent on elections, whether they be municipal or, worse still, provincial? I hope that wasn't the case.

Hon. Mr. Bennett: It is not a policy but I think it is good sound judgement that one does not try to project a provincial project of this magnitude and of such great controversy in that community at a time which could interfere with free elections at the municipal level. I think it would be an interference on my part which is not justified in any way.

Mr. Conway: No doubt you will be telling us some time between December 7 and December 24 so that we can enjoy our Christmas.

Hon. Mr. Bennett: Do you want me to put a red bow on it for you, too?

Mr. Conway: I want to come back, finally, to the point I made about the Eastern Ontario Development Corporation. I hope you are looking at that corporation as one of the primary instruments for achieving the strategic, economic goals which the Treasurer has outlined in his development strategy. If you are not, I think you are wrong.

I hope you will use the EODC and approach the making of disbursements in the future with that very important document in mind. That document says a lot of things which are important for Pembroke and I hope in future—

Hon. Mr. Bennett: It will be one of the things which will be used, providing the private sector wants it, in the development strategy, but it will not be the principal one obviously. Funding from other sources, as has already been indicated by the Treasurer, will be provided for the requirements to bring forward what we would hope is a successful conclusion to some of the remarks or comments in that report.

Mr. Conway: We shall talk again, Mr. Minister. Thank you, Mr. Chairman; I have talked too long and you have all listened very well.

Mr. Joyce: Mr. Chairman, may I make one comment? From February until July of this

year the Eastern Ontario Development Corporation had a consultant in Pembroke on the second Thursday of each month and this was pretty widely advertised in the local newspapers. Since July he has been going every second month. In the first period there were 29 interviews in Pembroke. We are trying to stimulate some business.

[11:45]

Mr. Conway: I can assure you that at least 30 to 40 per cent of that number have been referred by me. I obviously have to improve upon my average and I shall work diligently in that regard in co-operation with a very good industrial commission.

Mr. Joyce: I'm glad to hear that.

Mr. Angus: I will try to be brief but I have a couple of areas of concern. The first one I'll speak to is the number of firms that at one time received funding through any of the three development corporations and have since gone out of business for bankruptcy, gone into receivership, or have just ceased to exist. Can you indicate to us exactly how much money the province has lost in this regard?

Hon. Mr. Bennett: How much money has been written off?

Mr. Angus: Yes.

Mr. Joyce: It would appear to be \$6,471,000.

Hon. Mr. Bennett: What's that period of time?

Mr. Joyce: That's from inception.

Hon. Mr. Bennett: To follow up Mr. Angus' question, that of course would not account for performance loans that are written off because of a contractual relationship which is not just bad debt.

Mr. Angus: That's right.

Mr. MacMillan: These are bad debts and also include the guarantees made on the old ODA as well.

Hon. Mr. Bennett: Maybe you could explain it to Mr. Angus so that there is a clear understanding what the \$6 million does represent.

Mr. MacMillan: The \$6 million represents losses incurred by the three development corporations from each of their inceptions.

Hon. Mr. Bennett: It's a total of \$6 million.

Mr. Angus: I'm more confused now. Are those bad debts totally?

Mr. MacMillan: Yes, these are losses as the result of businesses going into receivership, bankruptcies or just ceasing to exist. They've gone out of business.

Mr. Angus: Some of that \$6 million would be the Minaki moneys as well, would it not?

Mr. MacMillan: No, Minaki is not written off. Minaki is not included in that.

Hon. Mr. Bennett: I just want to follow up on one question. Of the \$6.4 million which was written off in bad debts, are some of those still being pursued for collection?

Mr. MacMillan: No, this would be our loss. Some of it is estimated loss, but we're at a stage now where we consider this to be a fairly accurate figure.

Mr. Wildman: That wouldn't include companies that are in receivership or bankrupt, which will be sold and then you'll recover your loan money, like the three of the four in Algoma on the north shore?

Mr. MacMillan: We have some where, if they are in a receivership, we would at this stage have a pretty good indication of what the loss is going to be on them, although it hasn't been established.

Mr. Wildman: Those three are included in that figure?

Mr. MacMillan: Yes, they are.

Mr. Angus: What then is the process? You've provided a loan to a company and for whatever reason they can no longer operate but they still have X number of dollars outstanding. What happens then? What's the procedure and what recourse do you have in terms of getting back the taxpayers' money and what hope do you have of getting it back?

Mr. Rodgers: We would take effect of whatever security was available to us under the security that we held in the account. Normally it's liquidated either by the trustee in bankruptcy or the receiver. When all of the assets are sold and all of the avenues that we have to get the government's money back are expended, then we have no other recourse but to write off the balance.

Mr. Angus: What cost to the ministry in terms of the time and legal fees or whatever that have to be entered into does it take to get this money back?

Mr. Rodgers: It would depend on the length of time that you would be involved. Sometimes receiverships might last for two or three years. It might be a very quick receivership and settled very quickly.

Mr. Angus: How about the total, the \$6,471,000 that has been written off now?

Mr. Joyce: I don't think we have that? It varies so widely from one to another.

Mr. Angus: It's not something that you keep a normal track of?

Mr. Rodgers: We would know the cost on each receivership of the receiver and legal fees and court fees and the like. That would be the net after everything was charged against that particular account, and whatever the net proceeds would be on our recovery, the balance would be the write-off.

Mr. Joyce: I think what Mr. Angus is asking is what it would actually cost us.

Mr. Rodgers: Oh, no. We wouldn't have that.

Mr. Angus: So you wouldn't really know, even case by case, the amount you're spending to get the money back. Actually it works out to be more.

Mr. Joyce: Actually, if we don't think we can get anything back, we don't spend much time or effort on it.

Mr. Rodgers: If we were totally unsecured we wouldn't proceed at all, we would just step back and that would be the end of it. We wouldn't spend any money to go after it.

Mr. Angus: Right. When you say you have your security, each loan arrangement has a different type of security that you may take?

Mr. Rodgers: Generally it's fairly basic. We take a loan agreement and a debenture, and in some instances, we would take chattel mortgages. In our export support loan programmes, we would have a different type of security. In each loan we would tailor the security to fit the situation.

Mr. Angus: Do you try to obtain security that is of equal value to the loan? Or is it not based on a certain percentage?

Mr. Joyce: We try to get it in excess of the value of the loan if we can get it. We take what we can get.

Mr. Rodgers: We try to margin ourselves, naturally.

Mr. Angus: Other than the Minaki Lodge situation, has there ever been any other instance where development corporations have assumed the ownership of a facility when they defaulted?

Mr. Joyce: Assumed total ownership?

Mr. Angus: Either total or partial ownership.

Mr. Rodgers: We've assumed ownership of some assets, but not the companies. For instance, a building might come back into us through our security and it may not be a propitious moment to sell that building. We might hold on to it or rent it out, but I don't believe we have any of those assets now in the corporation. They've all been eventually disposed of.

Mr. Angus: So they've been put up for sale at the appropriate time.

Mr. Rodgers: Yes, at the appropriate time.

Mr. Angus: What situation will bring about the fact that you will pick up an asset as opposed to going through the bankruptcy procedures and selling it?

Mr. Rodgers: We would normally go the bankruptcy procedure. We would normally, through the receivership, advertise the assets for sale, under court approval, and when you received your bids they would be opened and examined and court approval obtained of the eventual disposition. If, for instance, all of the bids were received and the court said, "No, you can't accept that. You're going to have to wait," we might wait for a while and hold the asset still in receivership. In some instances, once the receivership was finished, we might end up with a particular asset in our own hands, that we wouldn't want to dispose of at that time. That would be our choice, with the approval of the court.

Mr. Angus: The tendency is, though, in the case of defaulting that it would almost be an arm's-length thing. You wouldn't really come into—well, taking over Little Norway ski resort, for instance, that kind of situation?

Mr. Rodgers: We haven't to date gone in and taken over and assumed control of it. We would normally put it up for bids on the basis that we would get sufficient out of it.

Mr. Angus: Can you do that, though; without the mandate of the legislation that brought about the development corporations?

Mr. Rodgers: Yes, we have the power to own, operate, sell, buy. The powers are pretty wide. We don't exercise those powers, because we have policy restrictions that are handed down to us.

Mr. Angus: Right. I am familiar with those from last year.

What kind of work do you do with a firm that is in a potentially bankrupt situation? You know, the signals are out all over the community, everybody and his brother knows that firm A can't meet its demand note to firm B by the first of the month. Do your staff go in and work with them to try and find a way to keep them in operation?

Mr. Rodgers: We would endeavour to identify the problem in the first place and, having identified the problem, would then try to resolve it. In most instances, we've tried to resolve it without any additional financial assistance. We may be looking for any number of remedies to correct the situation, but we work extensively with the companies that are in trouble, and because of the type of loan we make and because of the position we take in these companies we have a fairly large number of accounts which we work with on a day-to-day, week-to-week basis.

Mr. Joyce: Our basic policy is to try to keep the company going if it looks viable at all rather than put it under. The normal event is another creditor pulls the plug not us.

Mr. Rodgers: Right. We are usually not the instigator of a receivership.

Mr. Angus: Okay. I have a specific example but I don't think it would be appropriate to raise it here. I think you have given me the answer I am looking for.

In the whole area of making people aware of development corporations and the services, can you indicate to me the kinds of methods which are used? I know of two—the advertising which is done and I noticed that Mr. King was speaking in Dryden to a group of business people there. What other approaches are used to get the word around that these funds are available, these are the services, that kind of thing?

Mr. Rodgers: As you know, we do participate in seminars. We also participate with the ministry in its programme of talking to small businesses and business people. At least one member is on the panels which go around with the ministry programme. We do a number of calls in areas in which we do not have field offices.

Mr. Joyce: To embellish what Mr. Rodgers said, from February until September, our consultants located at Thunder Bay, Sudbury and Timmins were available at all times. In addition, every two months the Thunder Bay office visited Fort Frances, Atikokan, Kenora, Dryden, Ear Falls, Red Lake, Geraldton, Nakina, and Marathon. Out of Sudbury, they went to Parry Sound, Sault Ste. Marie, North Bay, Bruce Mines and Blind River. From Timmins they went to Kirkland Lake and the Tritown area. In addition they visited Cochrane, Kapuskasing and Hearst every two months and, on an occasional basis, Wawa, White River, Chapleau and Hornepayne; Moosonee was twice a year—plus they advertised the trips.

Mr. Angus: Yes. The concern I have and I think Mr. King said so in his comments in Dryden—the headline is "Businessmen Are Not Making Use of NODC." I think it's something we have discussed in this committee before.

With the kind of programmes you are doing and, if my memory serves me correctly, the way, the advertisements are designed, it seems it's only those people who are already in the know who would be attracted by them or would understand what's available. That is to say the new entrepreneur, who may not be totally familiar with what's available, is the one who just doesn't get there. The connection isn't made.

Mr. Joyce: You do appreciate that if somebody comes to us, we endeavour to help them find financing from other sources.

Mr. Angus: Right.

Mr. Joyce: It is only if they can't get it from other sources that—

Mr. Angus: That's right; I realize that. Do you have regular seminars, for instance, with the banking institutions to inform them of your programmes so that when they turn down a potential borrower they can redirect him?

Mr. Rodgers: Not seminars but when our field staff go to these areas they go in and talk to the local bank people. The bankers, I think, are one of our fairly prominent sources of referrals to the corporation as well as chartered accountants and the like. We are in pretty close touch with them at all times.

Mr. Angus: Normally, when the ads are run in the papers to indicate that a field officer from Thunder Bay will be in Terrace Bay on such and such a day, does the ad

explain basically that funds are available for manufacturing, primarily, or whatever it may be? Or is it just a notification—

Mr. Rodgers: It is strictly a notification that they will be there.

Mr. Angus: Would it not be possible to be more elaborate in that and say he is going to be there and these are the kinds of things he can help them with?

Mr. Rodgers: That would be a good suggestion. We can have a look at that.

Mr. Angus: All over Ontario you are spending only \$11,000 in promoting through the media the role of the development corporations.

[12:00]

Mr. Joyce: All I said was that in the period of constraint, we haven't had the funds to lend and there's no use promoting a great big lending programme.

Mr. Angus: Yet the number of applications is down, and the information I have is that you won't be able to spend the money that has been allotted.

Mr. Joyce: That is quite correct. That is due to economic conditions, we think, more than anything else.

Mr. Angus: I appreciate that.

Hon. Mr. Bennett: Even some of those who have made applications and got approval have thrown the brakes on; they have decided they want to wait for another little period to see whether things are going to change.

Mr. Angus: I hope you take that suggestion I gave you. Maybe I'll see it coming out in the papers. That's all I have, Mr. Chairman.

Mr. Wildman: Could I ask a supplementary in regard to this question? Of the total \$667,678 in industrial mortgage loans on the north shore, can you tell me how much you have written off or how much you expect to lose? I'm talking about Champlain, Algocraft, Sullivan Trailer and Equipment Manufacturing.

Mr. Rodgers: What riding is that in?

Mr. Wildman: Algoma.

Mr. Rodgers: Champlain is \$204,000.

Mr. Wildman: You expect to lose that out of a total of \$500,000?

Mr. Rodgers: Yes. Algocraft, \$93,000 out of \$110,000. What were the others?

Mr. Wildman: Sullivan.

Mr. Rodgers: Sullivan is \$60,000 out of \$110,000.

Mr. Joyce: These aren't losses yet; they're actual or anticipated.

Mr. Wildman: Projected losses.

Mr. Rodgers: For accounting purposes we would utilize that in our financial statement at the end of the year, showing it as a reserve or anticipated loss.

Mr. Wildman: It's certainly not a very good performance.

Mr. Chairman: Mr. Riddell, replacing Mr. Eakins.

Mr. Riddell: Much along the line of questioning that we've had, is there any reason why in this annual report of loans and guarantees that we couldn't include an additional column or two indicating how well the company is performing from the standpoint of meeting its employment goals and its financial obligations?

We know who the borrower is, the type of industry, the type of loan that a borrower has been given, the loan amount, the rate of interest and what have you. We also know the projected employment for the first year and for the fifth year. It would be kind of interesting to know how well they're meeting their commitments; whether they are behind in their financial obligations and whether, indeed, they have employed the number of people they indicated they would when they first made application for the loan.

If we could have additional columns included in this report, then we wouldn't have to come back year after year to find out whether such and such a company did indeed employ the number of people they said they were going to, whether they are paying back the loan, whether they are falling behind or whether it appears that they're going to go under.

Hon. Mr. Bennett: Mr. Riddell, we can look at having any number of columns the committee might wish. I just hope people appreciate that every time you get into putting more facts and figures on reports, it takes more effort from some employee and is not being really very productive for us. I can look at those situations. I only warn you, as we talked about the lumber industry a minute ago, today he could be on stream and tomorrow, because of economic condi-

tions in the lumber industry, he could be off in his projection of employment. He could be ahead, as is the case in some of them. I'm thinking of Haliburton, where one of the companies was away ahead of what they projected; this year they're behind what they projected, because of the fluctuations in the lumber market. We can look at the possibility of adding up those columns. I would just add, in fairness to staff, every time we put that in their way it really doesn't produce much in the final analysis in trying to service some of the accounts. It serves us in a very general way, but I'm not sure that it really gets the market position, which is essential for performance.

Mr. Riddell: It might indicate to us whether a company is headed for trouble before we all of a sudden learn of it, such as in the Huron Lamp situation at the Huron Industrial Park.

Hon. Mr. Bennett: The Huron Lamp situation, don't forget, was not caused by Huron Lamp's own initiative, it was because of parent company positions. I could have given you all the figures the day before and you'd have been no smarter until the next day when they made their decision to move. We will take this under advisement to see what it involves in staff and hours.

Mr. Riddell: I have another matter that rather amazes me. I wrote to Mr. Joyce and I indicated to him that there was an organization in my riding known as the Village Retreat and Recreational Services. It is sponsored by a group of interested citizens on a non-profit basis and has become quite a tourist attraction, particularly in the winter-time for people who wish to come and obtain some lodging and do some snowmobiling and what not out on the trails that we have in that area. They would like to renovate one of their rooms so that when the people come off the snowmobile trails they can maybe play some table tennis, shuffleboard and what have you. They're interested in receiving a loan from the ODC. I learned from Mr. Joyce that loans are not made to non-profit organizations, only to profit-making organizations, and this kind of dumbfounded me.

Mr. Wildman: There aren't too many profit-making organizations that they've been given to in Algoma.

Mr. Riddell: I met with these people and they're very religious-minded. They feel that in the town of Grand Bend they can lend a helping hand to young people who are looking for something to do. They applied

for some assistance through the ODC and the word I get back is that the ODC is not in the habit of providing loans to non-profit-making organizations. I'm going to tell you Village Retreat and Recreational Services is doing every bit as much for tourism as is the Pine Ridge Chalet, a snowmobile outfit, which I know received assistance from the ODC, and the Hully Gully in the same area. They are making a profit and not doing one thing more for tourism than is Village Retreat and Recreational Services. There's information back from personnel at ODC saying, "I'm sorry, but we just simply do not make loans to non-profit organizations." Could somebody explain the rationale here?

Mr. Joyce: I'm not familiar with it or I've forgotten the details of the organization, but from what you say I would say they're a voluntary organization and not in business at all. Our purpose is to help allegedly profit-making organizations to create some employment. If they would incorporate themselves, then we might be able to look at it.

Mr. Riddell: They're definitely creating employment, but it's a case of people working for peanuts to try to make this thing go. They're paying their staff but they're not out to make any profit out of their venture. They're just out to provide a service which is greatly needed in the Grand Bend area and it is attracting tourists from all over.

Mr. Joyce: I think there'd be difficulty drawing the line if we got into something like that. In other words, if some of the service organizations wanted to start some similar project, should we finance it?

Mr. Riddell: I just wish you'd have another look at it and see if indeed these people could at all qualify for some kind of assistance.

Mr. Joyce: Could I have the name of the organization?

Mr. Riddell: Yes, the Village Retreat and Recreational Services located right in the town of Grand Bend.

I also wrote a letter to Mr. Joyce indicating to him that the army cadets are using the facilities at Huron Park and they're charging the Exeter legion, which sponsors this cadet training \$550 a year, I believe. The facilities they're using wouldn't otherwise be used—I say that from the standpoint of the storage facilities where they store a lot of their equipment—but I do believe the recreational hall is used by the Centralia College students

which means that the place has to be heated anyway.

I find it rather strange that the government is charging the legion for training young people who will some day, no doubt, be providing us with a service in times of emergency or certainly in times of war. They're prepared to take their place to save our hide yet they're being charged for the training they're receiving in facilities which, as I say, are being used by the Centralia College students anyway so the heat has to be supplied in any case.

Why do we have to charge them anything? These young cadets who are out getting a good training—why do you have to charge them when the building is being heated and it has to be maintained? I'm sure the cadets aren't tearing the place down. They're under very good jurisdiction or they have proper authority overlooking what they're doing. I believe there's an officer from London who comes out to give them their training and what have you. Dear knows, they're having a hard enough time. These officers are not being paid to train these young people yet somehow they have to come up with the money to pay for the facilities such as the recreational area where they do their marching and whatever training they get.

Is it really necessary to charge them \$550 a year when it's a property owned by the government and when we must consider that the training these people are receiving is invaluable from the standpoint of society in general?

Mr. Rodgers: Yes, we have to charge in order to make the facility available. It doesn't operate without any dollars and cents being put into it. There are students using these facilities and the college pays us for the use of those facilities. It's included in the rent we charge the agricultural college.

Further, the legion in Exeter is paid by the federal government to operate a cadet corps. They have funds available and if they get a grant from the federal government and want to use our facilities, we have to make a charge. I think it's a very small charge that we make for the facilities with all the aggravation we have to put up with with that cadet corps.

I don't know whether you've had any personal experience with cadet corps. I have and they're a very difficult young bunch of people to look after. We have a tremendous amount of cleaning up to do after them. They will not respect any of the premises there and, in fact, we've had so much trouble with them that it's doubtful whether we

might go along and renew next year's lease. We've put up with them because we appreciate that they are young people and they're being trained for the future of Canada, if you want to express it that way. We've gone out of our way to be of assistance but it costs us more than that \$550 to have them in that facility every year.

Mr. Riddell: Who's telling you about the apparent vandalism on the part of the young people? Where is this—

Mr. Rodgers: We have a manager there—

Mr. Riddell: Yes, you've got a manager by the name of Jack Malone. If I may say so Jack, in my opinion, does everything he can to discourage any kind of activity from Huron Park. I will also say that there seems to be a very intimate relationship between Jack Malone and your Mr. Waddell. If I go to Mr. Waddell on some matter that pertains to Jack Malone, I might just as well talk to a brick wall because I know one is not going to cross up the other. I will tell you that I'm going to find out from the officers who are training these young people if they are doing what you say they're doing.

I happen to inspect that corps and I think they're a very respectable group of young people and they come from respectable homes. I find it very hard to believe that they're doing a lot of damage to the building. I'm more inclined to think that somebody is discouraging activity out there at Huron Park and this type of thing has been brought to my attention before. I've written to the minister about it and I've said I'm prepared to come down with a delegation.

[12:15]

I will tell you this: Jack Malone seems to have the fear of God instilled in those people; they are so afraid of losing their homes or of having to be moved out or some darned thing, that they are afraid they will be in trouble if they do come down in a delegation. The only reason I haven't appeared before with a delegation, Mr. Bennett, is because they are afraid because of the officer tactics that Mr. Malone uses—and you realize that he was an officer in the air force.

I have had so much trouble out there at Huron Park in terms of people complaining that I'm getting sick and tired of it. I just wish they would form an organization and come down with me so that we can see Mr. Bennett and talk this whole thing over. But I still go back to my point that I think somebody is trying to discourage any activities out there. I will be willing to apologize if I

can ascertain from the officer who is training these young people that these young people are causing the type or aggravation that you say they are.

Mr. Rodgers: If you have any specifics, we would certainly be happy to look into them for you and advise you with respect to them. To date, we have had no specifics from you with respect to the complaints that you have just raised.

Mr. Riddell: I have talked to the minister about them, but I want some support—

Mr. Rodgers: We can't deal without specifics. I can't handle generalities.

Mr. Riddell: You know the problems we have had—

Mr. Rodgers: We have had no problems with management out there. We are satisfied with it. But if you have specifics, we will certainly look into them and investigate them.

Mr. Riddell: I think likely I'll be coming in with specifics, because I'm not going to go home and get all these complaints and try to resolve them because of the inactivity on the part of your manager out there. That's all I want to say for the present time.

Mr. Chairman: Mr. O'Neil?

Mr. O'Neil: Mr. Chairman, I had some questions of the minister. Is he coming back shortly?

Mr. Angus: He's just outside at the moment.

Mr. Chairman: I think he'll be back shortly; I was expecting he would be.

Mr. O'Neil: One question that I want to ask is where some of these loans are in arrears, are the interest charges compounded?

Mr. Joyce: No, sir.

Mr. O'Neil: How are interest charges dealt with? Are they usually waived at that time?

Mr. Joyce: No. They are kept until we can see whether they have the ability to pay or whether they go into receivership or bankruptcy.

Mr. O'Neil: I want to ask the minister, under loans for the tourist industry, whether or not he is familiar with the thought of establishing a marina at the start of the Trent River in the town of Trenton. Has anyone ever spoken to you about that?

Hon. Mr. Bennett: Somebody brought up the subject with us some time ago. Mr. Joyce might be able to tell us whether an application was submitted or not; I know there was some discussion on it, but I don't recall the background of it.

Mr. O'Neil: I know there is some interest in establishing a marina, and I think it would be quite a thing to have it on a tourist avenue such as that. I wonder if somebody from your ministry could bring me up to date on that. I know that the civic officials are very interested in it and in anything you can possibly do to help us.

Mr. Joyce: I am advised that we have not had an application from them.

Mr. O'Neil: You haven't had one as yet?

Mr. Joyce: No, we have not.

Mr. O'Neil: Very good. Also, I want to ask how the process is handled for notification of members of the Legislature of loans that are made within their areas. I know that we do get a list from the ministry of loans approved, but are any of the members brought into the picture at any earlier date before those loans are approved?

Hon. Mr. Bennett: Absolutely not.

Mr. O'Neil: In other words, it's because of confidentiality?

Hon. Mr. Bennett: That's absolutely correct. When a manufacturer comes to us, he submits a great deal of information that he wouldn't make public. I very seldom see anybody in the loan field, although the odd time somebody who is rejected for some reason will come and want to have a discussion because they got to their member, regardless which side of the House they happen to be on, and asked that we review their situation or to make their case known personally to me. Outside of that, we would never get involved with the local member. We would take the application. We might seek some advice from the industrial commissioner or somebody else in the community; we would seek background information, in addition to what is supplied in the application of course, from sources that are available to us; and that would be pretty well the extent of it. We never get involved with those in the elected positions in dealing with the application.

Mr. O'Neil: But when the loan is approved, the members are given immediate notice are they?

Hon. Mr. Bennett: As soon as the order in council has been presented to my colleagues and has been approved, within a day or two thereafter.

Mr. O'Neil: So it is general policy that your ministry will notify us within two or three days of that approval.

Hon. Mr. Bennett: Just as soon as we have it. Now I have run into a little difficulty; we can be critical of it, but there are some who will say to the company, in connection with an announcement, that they would prefer not to have an announcement. I try to accommodate them, because I am not sure it's always the best thing that the news goes out; not because of their name but they just feel at that point, maybe because of some other problems they are having, it's not a time to disclose something like this. The order in council has to be posted, but from that point on, whether the press or anybody else picks it up is another thing.

Mr. O'Neil: Right. So in other words we can expect within a certain number of days to be notified as members that there has been a loan approved in our area.

Hon. Mr. Bennett: I think you have had experience, Mr. O'Neil. You usually get a letter from myself indicating that a loan has been approved; a term loan, a mortgage loan, whatever it might be, an export support loan.

Mr. O'Neil: I usually do, which I thank you for; but I notice in some cases, for example I have one sheet here where there have been a number of them lumped together and I know some of those approvals were given some time previous to others. I think it is important for members, no matter which party they represent, to receive this notification so that they do know what is happening within their own riding. I think it's a courtesy that I would ask that possibly the officials in your ministry would look at carefully to see that we are notified.

Also, I think it might be wise that if we are getting notice on certain loans that have been given, that if they don't wish it to be advertised or given out I think that should be specified in the letter that comes to the members.

Hon. Mr. Bennett: Very true.

Mr. O'Neil: You were talking about aid to small businessmen. I realize there are other places from which small business people can get loans, although I don't think they are

widely enough advertised, but I wonder if I could ask if the officials in your ministry might possibly put together a summary of some of the places. We have inquiries from small businessmen looking for loans. Could we have some sort of a summary drawn up for us by your ministry so that we don't miss anything? If it were sent out to the different members so that they could forward this to any people who are inquiring, I think this would be of great assistance. In other words, if they are not going to qualify under your development loans where else can these people go?

I realize it's fairly general knowledge in a lot of cases, but your ministry officials might have some other suggestions of avenues that we could follow for these people.

Hon. Mr. Bennett: I'm not sure that I am following you. You are referring to when an application is refused?

Mr. O'Neil: No; there was mention earlier this morning that some people would not qualify for loans with the Ontario Development Corporation, but there are other places that they can go—banks, other federal agencies and things like that. I would like some sort of a summary on this if it is possible to get one.

Hon. Mr. Bennett: Well, I'll ask Mr. Rodgers, but if I understand—

Mr. Rodgers: The ministry does publish, in a booklet form, the availability of moneys from a large variety of sources.

Mr. O'Neil: They do? I wonder if it would be possible for you to send me a copy or a few copies?

Mr. Rodgers: Yes, we'll send you some copies of that.

Mr. O'Neil: I would appreciate, if some of your ministry officials are sitting or are advertising that they will be, say in the town of Trenton or in the city of Belleville or in Frankford, out of courtesy could I possibly be notified, and I think other members would like to be notified too, when they are sitting and in what place within their ridings. I think I would like to have that.

Hon. Mr. Bennett: Very good. We would be glad to look at that.

Mr. O'Neil: Thanks very much. In closing I would also like to say, I work through your regional office in Kingston, and I would like to say that I have had top co-operation from

the staff there, particularly Mr. Lindsay, who has looked after any inquiries and has got back to any of the inquiries that I have referred to them. I feel in a way it has helped to give us such things as Stegg Electric Limited in Belleville a loan for \$230,000; Canadian Cast Films, a loan for \$385,730 and an additional industrial mortgage loan for \$96,270; and Domtech from the town of Trenton, a loan in the amount of \$316,000 and a further business loan for \$45,000; Kinwol, in the town of Trenton, a loan for \$52,500; and in Trenton to Parker Brothers Limited, a loan for \$500,000; and Pvrotenax of Canada, in Trenton, a loan for \$435,500 too.

Through the corporation, I think we're quite pleased with that.

Mr. Johnson: Away too much.

Mr. O'Neil: I don't intend to pat him on the back too much, but I like to see a little bit of that Conservative money coming into a Liberal riding.

Hon. Mr. Bennett: I doubt that as many ridings have been as well treated, regardless of either members.

Mr. O'Neil: Is that because you like me so much or because you'd like to get it back in the blue colour?

Hon. Mr. Bennett: I'll tell you if it meant anything to Dick Potter these were the two biggest years of the years, according to what I see here anyway. But he hasn't done what you'd call too badly.

Mr. Cassidy: I want to raise some questions with the minister. I want to begin by expressing regret at the fact that we couldn't pursue a speech he made to his compatriots in Ottawa last week, in which he said if people believe in a right-wing system in our society, they should be ready to support the right-wing parties. However, there's no time to pursue that.

Mr. Wildman: How far right is that?

Hon. Mr. Bennett: Considerably further than what Mr. Cassidy would want.

Mr. Cassidy: One could assume that.

I want to raise some serious questions with the minister about the role of the ODC and the role of the minister personally in the granting of a loan to the I. C. Suatac Construction group of companies and the subsequent bankruptcy of those companies. I believe the minister is fairly familiar with the matter or has had some familiarity with it. I wonder if he could say whether he is satis-

fied with the way in which the Ontario Development Corporation handled its dealings with Suatac Construction and the pipemaking subsidiary, Ottacon Products Limited, and if he could also say what his own personal role was in their dealings with the ODC.

Hon. Mr. Bennett: First of all, I think we should get it very clear that the development corporation was involved with Ottacon Pipe, owned by one Mr. Suatac. It was made very clear at the time that we do not loan to construction companies but we do to a manufacturing company. It was not a direct loan from the development corporation but it was a bank guarantee. I'll have to defer to Mr. Rodgers on this particular one. It was my understanding it went into receivership. What was the final conclusion? Was it bankruptcy or receivership?

Mr. Rodgers: It was a receivership.

Hon. Mr. Bennett: It came as a result of the bank calling its guarantee. My participation in it was very clearly this, that on more than one occasion Mr. Suatac himself came to see me and discussed the possibilities, first of all, of a direct loan to Suatac Construction. He was informed that that was beyond the policy position regulations of the development corporation. Then he raised the question of the Ottacon pipe manufacturing organization and the purchasing, if I recall correctly—and this goes back now right on to three years ago—of some new moulding equipment for massive-size sewage pipe requirements.

[12:30]

The guarantee was granted on a recommendation of the board of directors of EODC. At the time we granted the guarantee we also had a requirement under the guarantee position that a director of Ottacon be appointed by the development corporation. The guarantee, I might indicate, was for one-half million dollars.

As things proceeded over a period of time, I had a number of calls from people in political circles at the municipal level in and around Ottawa who were concerned about the problems that Suatac was developing or having at that time.

Mr. Cassidy: I am sorry; you say as things developed. Was this before or after the granting of the loan?

Hon. Mr. Bennett: It was after—pardon me, it was before. They indicated to us some of the problems which they felt could develop

if Suatac did not have some financing to produce pipe for contracts he held at that time with various municipalities, including the region, in the Ottawa-Carleton area. The guarantee was accepted by the second bank approached, not the first bank. Then some months later—I will have to defer to Mr. Rodgers on the timetable—the bank recalled its guarantee.

Mr. Cassidy: Would the minister call the decision to grant a loan of \$500,000 to Ottacon Pipe Limited a political decision or a decision by ODC alone? Could he comment on the basis for the decision and, in particular, on the report the ODC or the ministry had received about the financial situation of the company at the time?

Hon. Mr. Bennett: If we're going to take them, let's take them one at a time. We're not dealing with a case which is just a regular run-of-the-mill situation.

I don't think it was based on a political decision at all. EODC, that is, the board of directors, rendered its recommendations to me and I will admit that I submitted to Mr. Joyce some of the opinions which had been expressed to me by local political people, mayors and chairmen. I have no doubt that was considered and, looking at the assets that were sitting at Ottacon, the fact is we were entering into a guarantee rather than a direct financial loan. The recommendation was that we should entertain the guarantee with whatever bank would accept it.

Mr. Cassidy: Was it normal practice at ODC at the time to make direct loans rather than doing guarantees?

Hon. Mr. Bennett: No. We have many guarantees out. We have both channels. One thing with the guarantee is that a great deal of responsibility is on management security and overview; that is, the controlling of it rests with the bank because it's their money.

Mr. Cassidy: I want to go back now. This is an unhappy kind of saga but nothing can be done to bring back together a company which, at the end of 1972, had assets of \$3.5 million and at that time had a net worth of about \$350,000. At that time, in other words, it was carrying on a substantial number of contracts in the Ottawa area. As the minister knows there was opposition to the company within the Ottawa area from—

Hon. Mr. Bennett: There was what?

Mr. Cassidy: Opposition—from established contractors which felt that the Suatac group of companies was being rather pushy and making life uncomfortable for the ring of established people.

Hon. Mr. Bennett: Mr. Chairman, so that it's clear, I wasn't aware of the situation. Mr. Cassidy might have been but I certainly wasn't aware that there was any feeling. I can tell you he won contract after contract while you and I were members of city council.

Mr. Cassidy: That is correct. Some of the disquiet which was felt by people in the construction trades in the contracting industry, and of which the minister, as a controller of the city of Ottawa until the end of September, 1972, was probably aware, was over the fact that Suatac Construction was bidding more toughly than a number of companies in the area had been used to.

At any rate, the picture one has—and not all the facts are clear—is of a company which had grown very substantially during 1972 and which had a substantial position in contracts under way, in assets and in net worth, but which within a year and a half had been reduced to the point where it was unable to pay more than a certain amount to its unsecured creditors and where the picking of carcass was done in a way that left nothing at all of the equity that had existed a year and a half before.

All the reasons that entered into it are difficult to establish. In fact, one might almost say there are two separate stories and I'm not sure which one the minister would like to choose as being the correct one. One is that the company—

Hon. Mr. Bennett: The factual one.

Mr. Cassidy: That's fine. The point is that if the company was in very difficult financial shape in 1972, then one has to question the judgement of the ministry in going forward and of the ODC in going forward and providing loans. If, on the other hand, the company was in good if slightly over-extended financial shape at the end of 1972, then one has to wonder how on earth it could be that when the ODC came into the picture, within a period of six or seven months the company had its back to the wall and in fact had to go into receivership and nothing was left of it, except to repay the secured creditors, including the bank whose loan had been guaranteed by the ODC. Either way it's not a very happy story.

Let me go back a bit, Mr. Chairman, and perhaps the minister can comment on these items as I recount them. The other factor in this story, which one has to mention without being able to say that it had an influence either way, was the fact that during the 1971 election it was the practice of the Conservative Party to go to various large companies around the province and engage in a practice which one can only describe as toll-gating. The company was not asked for a contribution, it was told what contribution would be appropriate in view of the amount of work that it had had which might have been benefited from public funds, including provincial funds.

Hon. Mr. Bennett: I trust you've got that in writing there, that you're not just making an assessment from your own point of view.

Mr. Cassidy: In 1971, Bill Kelly, who is known to the minister—

Hon. Mr. Bennett: Very well.

Mr. Cassidy:—as the bagman for the Conservative Party, visited the owner of Suatac Construction Company, Mr. Suatac, accompanied by Thomas Assaly, who is a well-known Conservative in the area. He requested a \$15,000 donation to the Conservative Party, a substantial figure, and in terms and tones which suggested that this was not a request, that it was what you did, baby. Therefore, Mr. Suatac felt compelled to agree. Obviously he didn't have to agree, and in fact subsequently he cancelled one of the three cheques which he had given to spread out the donation over a lengthy period of time.

Subsequent to that, about nine or 10 months later, the same Mr. Assaly arranged a meeting with the then Minister of Industry and Tourism, Mr. John White, to obtain a half-million-dollar grant for the purchase of the Ottacon plant which was then on the market. His proposal was to expand the plant in order to produce large-size pipe which was not then available in the Ottawa area. I think the business judgement involved in that is substantiated by the fact that the plant is currently in production. Despite the receivership, the plant, which involved an expenditure for purchase and improvements of \$800,000 on the part of Suatac Construction and Ottacon, was in fact sold by the receiver for the figure of about \$1.2 million, or for a profit of about \$400,000. In other words, the business judgement that this was a reasonable kind of investment seems to have been substantiated. I presume the grant at those terms meant a forgivable loan, and in fact at that time Mr. White promised that a grant

would be forthcoming, and in that cavalier style in which he used to be so capable, he simply said, "Look, go and see the boys at ODC and they will look after you."

Mr. Suatac, trusting at the time the word of the Conservative minister, proceeded the next day to purchase the Ottacon company and to invest money in improving its capacity to make large-sized pipe. However, the grant that had been promised for the next day never materialized. In fact, some six months later the application was rejected, despite the promise that was made by the minister.

The accounts of the company at the end of 1972—that is, shortly after that rejection—indicate, as I said before, a net worth of about \$350,000, assets of about \$3.6 million and current liabilities exceeding assets by about \$600,000 or \$700,000. The excess of current liabilities, indicating some shortage of cash on the part of the company, is pretty substantially accounted for by the fact that they had asked for and expected \$500,000 from the ODC, the repayment of which would have been spread out over a period of time, but which money had not been forthcoming. As a consequence, a lot of the company's current assets were tied up in the Ottacon pipe situation.

Does the minister want to comment on the facts as I have recounted them up until now?

Hon. Mr. Bennett: Mr. Chairman, I have to take the position that what Mr. Cassidy is saying is what Mr. Suatac has reported to him. Obviously it's a two-way discussion between yourself and Mr. Suatac and his interpretation, I suppose, of what went on at a period of time when neither you nor I were even present in the Legislature.

I am aware of the fact, from Mr. Suatac's meeting with myself, that he had met with Mr. White at some time prior to the period of time that I became the minister. The fact remains, I know of no promise that Mr. White had made to Mr. Suatac, nor to any other applicant to Ontario Development Corporation.

I don't think there is anything underhanded or wrong about one Mr. Assaly making arrangements for one Mr. Suatac to come and visit a minister of the government of Ontario, any more than it's wrong for Mr. Kelly to ask me if I'll meet with so-and-so in a particular industry, or Michael Cassidy asking me to meet with somebody from a particular industry, or Jack Riddell asking me to meet with somebody from his riding. I'm doing that pretty well on a weekly basis with people who are looking for loans of one

type or another across the province. I find nothing wrong with that.

The fact is that these people, while they might be good Tories, still have the right to suggest that people they know meet with the minister if there is something we can do for them. Even if they're not good Tories, if they are people who are interested in the industrial expansion and development of Ontario, I think they have the right to ask the minister to sit and meet with the applicant and review with him or her their proposal as they see it. If there is something wrong with that, then I would like you to spell it out in much clearer detail to me.

There are people in this province who will continue to be bagmen for political parties, whether they happen to be the NDP, the Liberals or the Tories. I find nothing offensive about that. That's the system we work under. The legislation that now is in place in the elections expenses Act, I think is good; it openly indicates who supports whom and where, but I suppose the reason is known only to the individual who contributes.

Regarding the receiver selling the plant for \$1.2 million—I think that was the figure you quoted, sir—

Mr. Cassidy: Yes.

Hon. Mr. Bennett: —I think Mr. Suatac would also tell you that there was some new equipment that had been installed in that plant as a result of the funding—

Mr. Cassidy: The money was—

Hon. Mr. Bennett: I refer to large moulding equipment for major sewer pipe, which was made only in Montreal, the closest source for the eastern Ontario market.

Mr. Cassidy: That's correct. The total investment in the Ottacon company was about \$800,000, and that included the acquisition price and the price of this extra equipment which was put in. I'm suggesting that the decision—

Hon. Mr. Bennett: I'm not so sure; that's not the understanding that I have. But, again, that goes back three years. I haven't had the opportunity of reviewing the file on an instant basis, Mr. Cassidy, as you have done. My understanding was that when Mr. Suatac purchased the Ottacon company, the figure was \$800,000; there was an additional sum for new equipment to be installed, which was what justified the granting of a guarantee to the bank by the EODC. We have never really gone out and loaned

money just to acquire a company, but it's the upgrading and improvement of the company is where our security position or our action is taken.

[12:45]

As far as net worth goes and so on, again I'm not going to try and get into that because I haven't the figures before me, but I make no apologies. At the time the guarantee was given, at the time I was consulted on the situation, both by Mr. Suatac and in my discussions with other people in the Ottawa area, and in my discussions with Mr. Joyce, we were aware of the fact that the company was riding an extremely tight line. If you listened to some of the advice given to you, the projections did not show the company as being, really, in a liquid position. Their obligations and so on, if projected in that current year, would have surpassed the total assets. Rightly or wrongly, that's the understanding I had.

I still felt that when the board came back with the recommendation it would have been as easy for me to say, no, we won't give the guarantee because of what appears to be all the black clouds overhead. I make no apologies to anyone; I also kept in mind exactly what I discussed with some of the mayors and reeves in the Ottawa area about the importance of this contract, their contracts they held with Mr. Suatac being completed; and with the guarantee situation and the securities that were involved, I thought it was in the general well-being of Ontario, and eastern Ontario, that the guarantee should be given to them.

Mr. Suatac was extremely pleased that we would extend it to him, even though he and we had some difficulty in getting a bank to accept the guarantee in the first round. There were other things that followed. Mr. Suatac then, after spending the first half-million, found himself again in a cash shortage position and came to me and asked me if we would extend a further half-million-dollar loan or guarantee to him; to which I said, no, for two reasons: One, at that time the rules had been changed whereby the guarantee could only be to the maximum of a half million, which would mean a whole new set of rules brought in for it; and second, I thought we had committed ourselves far enough in this project at that time.

Mr. Cassidy: The next question that arises is this: What was the nature of the advice that the minister or the ministry or the ODC had when it was decided, in the fall I think

it was, of 1973, to provide this \$500,000 loan guarantee for the pipe—

Hon. Mr. Bennett: What? I'm sorry.

Mr. Cassidy: What was the nature of the advice that the ministry had as regards the financial situation of the company?

Hon. Mr. Bennett: What was the sourcing?

Mr. Cassidy: No, the nature; what were you told?

Hon. Mr. Bennett: I haven't the files with me, as I already indicated, but we were given an indication by outside auditors as to the financial position. Maybe Mr. Rodgers has a more accurate description of the position.

Mr. Rodgers: I'll ask Mr. MacMillan, who has the file here.

Mr. MacMillan: When the application was considered for the \$500,000 guarantee, there were projections that were prepared, for the company, which indicated that the situation had improved and there was a basis for considering the loan of \$500,000.

Hon. Mr. Bennett: A guarantee.

Mr. MacMillan: A guarantee of \$500,000.

Mr. Cassidy: But the file would also have included material from previously which suggested the other way; and from the same auditors, is that right?

Mr. MacMillan: Yes, the file would have indicated that. I think we had had approaches from the company several years prior to the time when the \$500,000 guarantee was put in place.

Mr. Joyce: If I may interject here, I believe the original application was from the construction company, which was not eligible for a loan. It was subsequent to that that an application came in for Ottacan Products, which at the time it came in was still a division of the construction company but which was in the process of being incorporated in order to make it eligible as a separate manufacturing outfit.

Mr. Cassidy: Some of the points made by the minister are reasonable and that's why I'm trying to put this case, not in anger, but in sorrow. I don't think the whole matter was handled particularly well. I think some of the ways in which it were handled may have related to some extent, to the very personal

style of the then managing director Mr. Etchen, and the minister might want to comment on that in a minute as well. One has to ask oneself if the loan was subsequently or eventually made to Ottacan Products, the pipe-making company, why is it that ODC went along with the guarantee situation in which the assets of the entire group were pledged, thereby leading to the eventual result that when the loan was called the whole thing went down in flames. Was it in view of the concerns of the minister from calls he'd had from people in the Ottawa area in the political sphere, in the municipal sphere? They were expressing concern that they wanted the job to be done and they wanted the pipe to be delivered. The ODC and the ministry, presumably, had a concern that pipe would continue to be made in the Ottawa area rather than imported into the province from Montreal and that the jobs would be provided in the Ottawa area.

That suggests, given the misgivings that may have existed in the ODC, that part of the role there would have been to assist the company in getting itself on to a sounder financial footing and to drawing back from an overextended position, if its position was overextended and possibly to spinning off the pipe company in view of the fact that the pipe company was not only profitable, but also there was a substantial capital gain which could be realized from its sale for the parent company. Is there any evidence that at any time the minister or the ODC wrote to the owner of this group of companies suggesting that kind of course of action and suggesting that that might be a condition of the loan of \$500,000?

Hon. Mr. Bennett: Let's go back to one of the first questions. You asked about the security taken by ODC in relationship to its guarantee and why it wouldn't be an umbrella sort of security. Not only did it take Ottacan, but it took other assets which were held by the principal shareholder of that company. Again, I think if you'd been listening to what Mr. Joyce said earlier this morning in relationship to a question asked by the member for Fort William, that is, do we have securities that equal the loan? Our point is always to try and get the securities that are at least equal if not better from whatever source we can have them committed to us. That's very true why we had liens against other things than just what was at Ottacan. If that offends the group here this morning then I'm sorry.

On the other hand, if I didn't take them, I can sit here a year from now and be con-

demned because we didn't take up enough security for the loan. We took the security, and that's what we're holding. Basically, the company had maintained its position for some period and had finished up most of the municipal contracts, if I understand correctly, or had completed them to a very great extent. Then even in the receivership, Mr. Suatac was appointed to continue under the guidance of the receiver to try to finish up works that were still outstanding. Mr. Suatac had talked to me several times about his operation. He had talked with our representative on his board of directors from the EODC in relationship to the company and the problems that they were heading into.

If you're talking about separating and spinning off companies, that's a decision for Mr. Suatac, knowing even much more deeply than we would know his whole financial position in life. As it relates to that company and the private lands he held to the construction company, to the pipe company, a number of things were involved. I wasn't about to get involved, as a minister, nor would I expect the ODC to get involved, to start dictating or direct Mr. Suatac or any other individual for that matter. That's what he's got an accountant for. That's what he pays him for, to give him the advice as to how he can best resolve the financial dilemmas that he's confronted with.

Mr. Cassidy, let me say to you that when the bank starts recalling its \$500,000 guarantee, one should beware. The banks in this situation try to be as lenient as possible because they're dealing with the province. But it got to the point, as lenient as they wanted to be, that they said to us they were recalling the guarantee. No bank enjoys really getting into bed with guarantees with governments because it's embarrassing when they have to recall them. They hesitate, they delay and they procrastinate as long as they possibly can in taking any action on guarantees when we're involved. It had come to a point, obviously that the bank was really concerned about what was the next step. As I say, Mr. Suatac approached me about another \$500,000 to offset that guarantee. At that point, I had to take some very serious looks at it, along with people at ODC and some of the directors of EODC and I could not be convinced that I should go forward to my colleagues in cabinet for another order in council for \$500,000 direct cash loan.

Mr. Cassidy: I'm going on to September and the period between the fall of 1973 and the spring of 1974. At the beginning of that period, \$500,000 was advanced with a guarantee from the ODC. In April, at the end

of that period in 1974, a receiver was put in and a week or so later the jobs which the company was involved in were closed down.

You say you don't think the ODC should have given advice to the company about what it should or should not do; however, that's pretty much what happened. Over the course of time the auditor required by the company was a person who had originally been referred to them by the ODC. At a meeting on a Sunday in Toronto with Mr. Etchen, the general manager of the ODC, the auditor and Mr. Suatac, a trustee in receivership who was acquainted with them was called in and was then appointed.

Mr. Suatac agreed to it at the time but very quickly came to realize or came to feel that the job was being handled badly and he sought to have that receiver removed. Once again, the question of the ODC comes in because it was the ODC's actions which were instrumental in having a receiver brought in. The way in which the receivership was handled suggests that there was much more interest in protecting the \$500,000 guarantee the government had given than in ensuring that a company would either survive or be allowed to shrink with the least damage possible while at the same time protecting the ODC's investment.

Hon. Mr. Bennett: Mr. Cassidy, if I might just interject—

Mr. Cassidy: Yes.

Hon. Mr. Bennett: If we'd got involved, it wouldn't have been with Ottacon any longer. We'd have been dragged right into financing or underwriting or guaranteeing a further loan position to a construction company which would have fallen outside the principles, the terms of reference and the regulations of the corporate structure. That becomes another problem.

In other words, we would have moved away from a manufacturing to a construction company and it has never been our objective in this operation to finance construction companies. Now we're faced with another whole series of problems which are not easily answered.

Mr. Cassidy: But with hindsight—

Hon. Mr. Bennett: Hindsight, of course, is 20-20.

Mr. Cassidy: That's true. First, the ODC goes along and encourages the appointment of a receiver who, it turns out, has never handled a job of this type or complexity in the construction field.

Second, protests are made but the fellow who was put on the job in Ottawa on behalf of the receiver turns out to be a person with limited accountancy background, who has never been involved in a major receivership and has never had any involvement in the construction industry at all. It's rather like getting me or the member for Fort William (Mr. Angus) involved, in the sense of the amount of expertise either of us would have to bring to that particular situation.

Yet the records indicate very clearly that the ODC's man on the spot who was there, in effect, to ensure protection of the ODC's \$500,000 was a guy who had been working in the receivership field for only a few months and who had never handled a major receivership of any nature at all. Yet he was meeting with municipal authorities and negotiating with them and doing all the other tasks connected with a receivership. Incidentally, he was charging for it at the rate of \$300 a day or thereabouts—\$25 an hour for 11 or 12 hours a day.

Very quickly, under this skilled direction, any chances of resuscitating or maintaining the company go down the drain. Very quickly, and the minister would understand this from his municipal experience, decisions are made to close municipal jobs rather than complete them. The consequence is that holdbacks and progress payments which might have been due to the company are lost. The consequence is the company incurs claims from bonding companies which would otherwise not be there and the consequence is, if you will, that payments which could have been made to the company, amounting to about \$750,000 in holdbacks and other payments, are realized to the extent of maybe \$200,000.

[1:00]

When you consider that at the very end of this receivership the unsecured creditors amounted to maybe \$400,000, they didn't get very much on the dollar, but when you consider also that the fees for the trustees and the receiver amounted to something over \$200,000 it suggests very definitely that with better handling the ODC could have had its money and I don't know whether Suatac Construction company could have been in existence or not. But the whole affair could have been wound up gracefully and without unsecured creditors getting sent to the cleaners.

Hon. Mr. Bennett: Let me ask Mr. Rodgers to speak about the receivers. I'm not going to comment on it as the minister. I think

they're professional people. They have the degrees that give them the competence and if there's any lack of that or anyone feels they've mistreated the case, I suppose the best thing to do is to go before their association and have some corrective action taken. But I'll ask Mr. Rodgers to speak about the ability, competence, background and generally the qualifications of the receiver and of the accountant that was requested or put in as our consultant in the first place.

Mr. Rodgers: With respect to the receivership, the receivership is done under a court appointment. That court appointment receives the qualifications of the receiver and makes the judgement that the receiver being appointed is qualified to do the job and act on behalf of the courts and the creditors and the owners. In this instance it was the firm of Leventhal, Krekstein, Horvath and Horvath, whom we had used on other occasions and who are well regarded as trustees in bankruptcy and also as receivers. Mr. Jerry Freedman was the man appointed from within that firm to conduct the receivership and to take over the assets and act in a proper role as a receiver.

Hon. Mr. Bennett: Do you know Mr. Freedman?

Mr. Rodgers: I am not aware if Mr. Freedman had experience in pipe production. He'd acted for us on other receiverships and we had not found him wanting.

Hon. Mr. Bennett: Do you know how long Mr. Freedman had been in the world of accountancy?

Mr. Rodgers: He's a chartered accountant, as I understand it.

Mr. MacMillan: He has years of experience in the receivership and bankruptcy field.

Mr. Cassidy: That is correct; I recognize he has years of experience. But you haven't answered the question about the person on the spot who obviously carried a very major share of the overall responsibility. I think the minister might reply or maybe you can reply. It certainly was in the ambit of the ODC either to object or to approve of the way in which the receivership was being handled. I think it's also true that the ODC was aware of the very strong objections being raised to the fact that, after assurances had been made or allegedly been made that the purpose of going into receivership would not be to close the whole shop down but would be to ensure that the work could get finished and things could get done in an orderly

fashion, within a week the ODC's receivers were closing everything down.

Mr. Rodgers: I would doubt that that assurance would have been given. What is normally given in the case of a receivership with the development corporation is this: That the receivership when it is put into effect with court approval is a blanket umbrella over the whole operation, so that the corporation, which was the major lender or the major creditor in this instance, could have a look at the situation and reach a decision as to, first, whether or not we should continue; second, how many dollars would be required to continue; third, whether it was in our power to continue with respect to the money that would be required.

A decision in that regard sometimes is very quickly reached, if we don't spend too much time with it. In others, it takes a little while to get the feel of an operation to see what the ramifications would be in closing it down. In a manufacturing firm we might have to produce and finish orders so that we could realize further dollars back for everybody's benefit. But as to the timing of it, we would rely on the receiver to make that decision and recommend to the courts that it be closed. If he comes in with that decision, we normally rely on the person we have hired to make that decision unless we're prepared not to agree with the receiver. If you don't agree with the receiver you might as well not hire him in the first place.

Mr. Cassidy: So you did hire him then? The thing is, we can't revive this company but within a week of the jobs being closed there was a letter sent to Mr. Etchen from Mr. Suatac, the owner of the companies affected, stating:

"Prior to my authorizing the Ontario Development Corporation consent to appoint a receiver, you assured me this appointment would in no way restrict the completion of the various projects presently being performed by our company."

In fact those jobs were closed down very quickly.

You may say now you didn't have powers to go into the construction field but it seems to me that in going along with the guarantee which extended to the assets of a company engaged in a business for which you didn't normally lend, i.e. construction, you got yourselves involved at that time.

Mr. Rodgers: I recall that after those exchanges of correspondence Mr. Suatac engaged legal counsel. We met with Mr.

Suatac and his legal counsel on numerous occasions following the receivership in an endeavour to bring about this particular point. We weren't prepared to move from the course of action which had been recommended to us and we went the receiver-ship route. The assets were sold.

Mr. Cassidy: Lets take a comparable situation because you mentioned it. In certain cases, if you take over a manufacturing company, you will continue the manufacturing in order to secure a better position.

Mr. Rodgers: If it's in our best interests.

Mr. Cassidy: If it's in your best interests. I would have thought that the ODC's purpose is not just its own best interests. It's not just a grasping financial institution. It is also in its best interests to ensure continuation of employment and maybe a continuation of the free enterprise system.

Mr. Rodgers: That is our goal and those are our objectives under our Act. However, in this particular case there were a lot of other ramifications; i.e. there were bonding companies which would not particularly bond the company and weren't prepared to bond the receiver. There were great outstanding amounts owed on equipment and, according to the advice of our receiver, the equipment was in such a deteriorated shape that very little was going to be realized by the companies which had either rented it or sold it under various documentation to the company. A decision had to be made as to whether we would put up a lot more money at that particular time to do it or take the action the receiver recommended. His recommendation was not to continue the operation because of all these other extenuating circumstances and that's the advice we took.

Mr. Cassidy: With hindsight, his recommendation was based on the advice of a very inexperienced person who was on the scene.

I'll address this to the minister now—if you take the manufacturing analogy which has been referred to and you take over a firm on receivership—I understand receivership doesn't necessarily mean you have to close it down. You want to secure your loan and you want to ensure that you're not going to get left high and dry.

Mr. Rodgers: To protect the company from attack by creditors.

Mr. Cassidy: Okay. If, when you take over a manufacturing company in receivership,

you decide you will ship no further on its orders but you will simply stop production, you are signing the death certificate for that company. If the owner ever regains control he's going to have an impossible time persuading the people to whom he was supplying that they can ever rely on him again. Would that be a fair comment?

Mr. Rodgers: It'd be a fair comment.

Mr. Cassidy: In this particular case, it's not a manufacturing operation. It's a construction operation.

Mr. Rodgers: No, it's a manufacturing operation. It's Ottacan.

Mr. Cassidy: I know, but the jobs which were shut down by the receiver, with the support of the ODC, were the construction jobs which Suatac Construction had under way at that particular time. Therefore, in closing down those jobs within a week or so of the receiver taking over, you were effectively ensuring that the company would never be in business again. I think the analogy is fairly accurate, isn't it?

Mr. Rodgers: If the owners couldn't retrieve it out of receivership that would probably be the case.

Mr. Cassidy: Even if they could retrieve it, their goodwill and their competence are in question because any time they bid for a job again, people would say, "You had a job two years ago but the ODC came along and closed you down and you weren't able to—"

Hon. Mr. Bennett: No. In fairness on that question, you can bid on municipal works programmes whether you have been in receivership once before, twice before or whatever it is, as long as you can produce for the municipality a proper price with bonding secured. The man's quality was not in question, his financial position was.

That's really what it came down to, the ability to bond in the future. Among the contractors in Ottawa Mr. Suatac is no exception to the rule; they have other contractors who have gone under; they've come back, time and again, successfully. They over-extended themselves in their first one or two companies, but they've come back and they've been successful. Some of the best known companies in Ottawa have had the experience more than once.

So I accept the fact that while it might be humbling to an individual, whether it be a company or an individual going under,

that's very true, but nobody is questioning his ability, his workmanship or his competence in installing sewer pipes or water pipes; but obviously the bank was questioning very deeply the ability to continue to finance or even come out at the conclusion of the contracts in a black position, able to recognize whatever guarantees and so on.

Mr. Cassidy: Fine, I grant this. What we now have is a situation where in the fall of 1973, with conflicting advice, say, about the financial viability of the company, and with municipal leaders who wanted to see the pipe delivered pressing on the minister, a decision was made to give a loan despite knowledge that it might be a high-risk situation. Six months later we have the ODC, not just pulling out but when it pulled out also bringing the entire company down with it.

So you went in because you could see special circumstances, but those special circumstances do not seem to have guided the ODC when you went out. It was much more a case of save what you can, secure the ODC's own dough; the factors which related to the original decision to go in seem to have been completely absent when you got out.

Hon. Mr. Bennett: No, I think conditions had changed, obviously; banks no longer were prepared to accept guarantee. It's very easy for you to sit there in opposition and talk about securing our position. The same Michael Cassidy would be sitting there today asking me why didn't we move sooner to protect our interests if we had lost out on \$500,000. I listened to it this morning, about Champlain Veneer and a few others. I accept that as fair criticism, but those are the pitfalls you face and the responsibilities you take on when you operate a development corporation. Suatac's position had changed, conditions had changed, the banks were not prepared to extend the guarantee any longer and they as much as said to the province, if you want to pay off the \$500,000—and I'll tell you this, paying off the \$500,000 to the banks was not going to resolve the problem, it would have taken another \$500,000 or more, and I tell you more would be closer to it to try and put the company back on its feet, just to maintain the credibility in finishing work on a few other things. Again I say to you, Mr. Suatac spoke to me, he pleaded with me to give him at least \$500,000. He became so desperate one day he said give me just \$250,000 and I'll see what I can do; but I've been in business long enough to know that you don't try and give a man \$250,000 when you know he needs \$750,000, because you've obligated yourself

for the next \$500,000 only in stages rather than at one time.

I can honestly say to you that conditions had changed; I thought, in fairness and frankness, that we had dealt with the situation in a full and open manner. Mr. Suatac, except under extreme conditions, was never denied entry into my office; except that I was not going to see him day in and day out, I do have a few other responsibilities as a minister.

We dealt with it; as Mr. Rodgers has said the receiver's recommendation was to wind it down. I had the alternative, as I say again, I could very easily have said to Mr. Rodgers, take a bank book, go to Ottawa and start writing cheques for any amount of money until we have put the company back. But I felt, as a responsible minister, with your tax dollars to look after, that we were making the right decision.

Mr. Cassidy: I'm not suggesting it was the responsibility of the ODC to ensure that Suatac construction was still in operation as of this day; I am suggesting that there were people who were unsecured creditors for \$200,000 or \$300,000 who were left holding the bag in that receivership, and part of the reason was because of the way the ODC handled that particular bankruptcy or that particular receivership.

Hon. Mr. Bennett: No; when a person gets into an unsecured proposition, that's why he gets 12, 14, or 18 per cent for the loan, because he knows the risks he's taking. So there's one minister sitting before you who really isn't going to be humbled by the fact that somebody lost an unsecured position, at the same time extracting a rather interesting interest rate from the very same Mr. Suatac.

Mr. Cassidy: You could argue that maybe municipal taxpayers saved a few dollars; but there were moneys which were payable under holdbacks and that kind of payment from municipalities, which was not paid and which could in fact have been paid to the unsecured creditors, again had this particular operation been handled better.

[1:15]

Hon. Mr. Bennett: There's only one thing. We could have asked the court, I suppose, Mr. Rodgers, to dismiss the receiver and to appoint another one? There is no assurance that the next one is going to be any more acceptable to Mr. Suatac and others than the first gentleman. I stand to be corrected.

Mr. Rodgers: You're correct. On top of that, when a receiver makes his report to the court as to the conduct of his receivership, it's open to attack by previous owners and by unsecured creditors. That's the avenue they have to take.

The conduct of the receivership is not the responsibility of ODC, the development corporation. It's the court's. It's under its jurisdiction; it appoints the receiver and he is responsible to report to it on his conduct. Anyone can challenge his conduct and in lots of cases it is challenged.

However, in applying to close that plant down and sell the assets, he himself has to make application to the court and justify that recommendation to us. What happens is not solely within the control of the development corporation. If you hire a competent receiver, he advises all the creditors and the court as to the proper action, in his estimation, which should be taken.

Mr. Cassidy: I think I made my point. Perhaps to conclude, I would say that while what you say is correct, the court review of the conduct of the receiver is after the fact whereas ODC's involvement in what the receiver was doing or not doing and the criticisms Mr. Suatac was making on the receiver's actions was during the fact. ODC had the influence to change the course of what happened while it was happening whereas the court only came along afterwards and all it could say was, "You blew it" or that it approved of what he did.

Mr. Rodgers: We did make the decision to go along with the receiver on the basis of the information we had.

Mr. Cassidy: That is correct. You did make that decision and I'm suggesting you may have erred in that. Let me ask a final question—

Hon. Mr. Bennett: Of course, that's hindsight. It's so easy not to—I want to make only one other point with you. There is no job more difficult for a minister, I think, than this very corporation.

If the company succeeds, everybody says it's to the credit of the individual and that's rightly so. If it fails, it's because of the stupidity of the minister and his advisory staff in not having detected all the weaknesses of the company before we got involved with it. As politicians, we seem to want to forget about the fact that we are a lender of last resort. We didn't set up the

Bank of Nova Scotia or First Canada Bank. We can be criticized.

I will tell you—I'm not going to get into personalities in this situation—it's difficult for any man who's going into receivership to accept the views and remarks of a receiver.

Mr. Cassidy: I agree.

Hon. Mr. Bennett: I don't think I've ever heard of a case in which the person going into receivership ever accepted the opinion or the advice or the direction or the disposition of the business. Usually there's a very hostile attitude and I think that's understandable.

Mr. Cassidy: Right.

Hon. Mr. Bennett: This case is no exception to the rule. Mr. Suatac was kept on staff, as you will recall, for a period of time after the receiver was appointed, as an adviser to assist the receiver in trying to bring the operation to a reasonable conclusion. I use the word reasonable because, I suppose, if you were to sit back for 12 months longer than they did, you might have got a better price because of economic conditions or other things which have taken place. But it was disposed of. We're always open to attack but I still defend the people because at the time the decision was made it was the right decision. In no way do we intend nor did the receiver intend to harm the professional competence of the individual who was running the firm nor of the staff he employed.

Mr. Cassidy: Are you satisfied with the conduct of Mr. Etchen and other senior officials of ODC in relation to these dealings with Suatac?

Hon. Mr. Bennett: My opinion on what I would do regarding Mr. Etchen, Mr. Joyce, Mr. Rodgers on this particular case is my affair. As the minister I will chastise, criticise or recommend changes but I don't intend to get into a public position on that. I don't think that's what this committee is for.

It's a minister's responsibility to manage his staff, to assist them in making decisions or coming to decisions. What I say about Mr. Etchen, good, bad or indifferent, would take place within my office.

Mr. Cassidy: You're not prepared to say whether or not—

Hon. Mr. Bennett: No, I'm not prepared to say, sir—about him or any other member of the staff. I compliment them publicly

when they do a fine job. If I'm going to criticize them, I'll do it in my office, which I think is the right place to do it.

Mr. Cassidy: Did the minister or the ministry seek a resignation from Mr. Etchen and if so, were there any reasons of conduct for which the resignation was sought?

Hon. Mr. Bennett: There is no doubt about that, Mr. Chairman. The fact that Mr. Etchen resigned was public knowledge.

Mr. Cassidy: But was that resignation sought?

Hon. Mr. Bennett: Yes, it was. Because we were going through reorganizational changes and I was in a position where I could either do one of two things. I either could ask Mr. Etchen to stay in a red-circled position or to resign and to take early retirement.

Mr. Cassidy: Okay.

On the final point that I would make, I don't think the minister can really give an answer to this question. I think one just simply has to put it and express regret that this kind of thing has happened in the province of Ontario or that these things happen in the province. Was the ODC's decision either to give the loan or to foreclose on it influenced in any way by the company's contributions to the Conservative Party in 1971 or to the subsequent cancellation of the last portion of Mr. Suatac's donation?

Hon. Mr. Bennett: You know, Mr. Cassidy, you would dearly love to have this minister get into a rip-roaring argument with you and I don't intend to.

Mr. Cassidy: With respect, if you—

Hon. Mr. Bennett: Just let me finish.

Mr. Cassidy: Okay.

Hon. Mr. Bennett: You know very well the question placed is not appropriate in a democratic society such as we live in, but you feel that it's necessary just to try to throw some indication that there are less than legitimate reasons for why government lends money to people and at times has to foreclose because of pressures brought upon it by other parts of the sector of the business world.

There is no reason, in my mind, that I either grant or withdraw support to any firm in this province because of its affiliation or association with any political party,

whether it be the one that I am associated with or whether it is the one you happen to represent, sir, or the Liberal Party. I've tried to deal with them because of what I believe is their true implication in helping to improve the economy and work opportunities in the communities in which they're located. Whether they support my party or your party financially or otherwise, sir, is not really my concern. That's the concern of others, I suppose, within our party organization. I've never asked Mr. Kelly nor any other individual whether so-and-so contributed to the party.

But I give you this advice. There are many who come into my office who tell me, "I contributed to AYZ organization"—some of them not always in the party that I happen to support either—because they feel humbled by the fact that it might eventually get to my ears. I think Mr. Suatac will tell you as others will tell you. I said, "Look, I couldn't care less." The job that I have, I'm going to do the best I can, and

I would prefer to do it with the least interference from outside sources. That's the way it's been handled by me as long as I've been minister, and it's the way it'll be continued to be handled.

Mr. Shore: Does that answer your question?

Mr. Cassidy: Thank you, Mr. Minister.

Vote 2109 agreed to.

Mr. Chairman: This concludes the estimates of the Ministry of Industry and Tourism.

Mr. Angus: Mr. Chairman, to the minister and his staff, I would like to thank them on behalf of the members of this committee. It has been a long session, much longer than we had originally hoped to get, and I think it's been most valuable.

Hon. Mr. Bennett: Thank you very much.

The committee adjourned at 1:25 p.m.

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Ministry of Industry and Tourism officials taking part:

Bros, M., Corporate Secretary, Ontario Development Corporation
 Fleck, J. D., Deputy Minister
 Joyce, J. H., Chairman, Ontario Development Corporation
 MacMillan, K. G., Director, Finance and Loan Administration Branch, Ontario Development Corporation
 Maxwell, J. O., Director General, Ontario Place Corporation
 Rodgers, D. M., Managing Director, Ontario Development Corporation

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LEGISLATURE OF ONTARIO

SUPPLY COMMITTEE

TUESDAY, DECEMBER 7, 1976

The committee met at 8 p.m.

Mr. Chairman: I call the standing estimates committee to order.

We have been directed by the Legislature to consider supplementary estimates for the office of the Assembly, the Ombudsman, and the Provincial Auditor. I see the Ombudsman is here, so I ask Mr. Maloney if he would like to come up to the front at the present time we will do the supplementary estimates of the Office of the Ombudsman.

SUPPLEMENTARY ESTIMATES, OFFICE OF THE OMBUDSMAN

On vote 701:

Mr. Maloney: I'll bring with me Mr. Allan Mills, Director of Administration, who knows all the answers to all the questions.

Mr. Chairman: I'm sure you're aware the usual procedure is to have a few comments from Mr. Maloney and then any comments from the members of the committee. Mr. Maloney, if you would like to make any opening comments, you are most welcome.

Mr. Maloney: Mr. Chairman, last June, I think it was, I appeared before the justice committee which examined the estimates of the Office of the Ombudsman and approved \$2.3 million on the understanding that additional estimates could be applied for. We met a couple of weeks ago with the Board of Internal Economy—the Hon. Mr. Welch and Mr. Deans, I think, were present at that time—and approved a supplementary estimate request for \$509,000.

I had originally anticipated that the requirements of the office would be \$3.2 million, but because of some pruning and some careful examination of our practices, and because I felt that having been fixed at \$2.3 million I had no authority to assume I would receive \$3.2 million, we governed ourselves accordingly in the conduct of our affairs. As a result, rather than come back to ask for supplementary estimates totalling \$900,000, we came back and asked for addi-

tional estimates, as I say, of \$509,000 which were approved by the Board of Internal Economy.

Mr. Allan Mills, who is our director of administration, is here with me to answer any questions which any member of the committee might like to put to us about our requirements. The Office of the Ombudsman is functioning, I feel, in a very effective, very meaningful manner. Our first annual report, hopefully, will be filed with Mr. Speaker on approximately December 15—give me a few days leeway. I would have very much liked to have had it filed before the House breaks up before Christmas; depending on the date that occurs perhaps I will be able to do it. I don't know.

The first annual report will give you a full account of how we have started from nothing and grown from nothing and built what I think is a good, solid foundation for the Office of the Ombudsman. We have, at the same time, taken care of as many requests for help from the people of the province as we were able to do. It will show what we have tried to do in bringing the Office of the Ombudsman to the people and our efforts to make it as representative of the province as we were able to do.

With those opening remarks, I'm prepared to answer any questions it might be your desire to put to me. Mr. Mills is here also to answer any questions you may see fit to direct to him.

Mr. Chairman: Thank you, Mr. Maloney. Are there any questions? Ms. Bryden, do you have any questions or comments?

Ms. Bryden: I have my group of new Canadians waiting for me outside but I was somewhat concerned to see that the request for salaries and wages had gone up by almost 40 per cent or so. I wondered if you had any figures on an increase in case-load or if there were any specific cases which required more work and more employees than you expected; any classic cases. If you are working on some sort of measurement of load factor, such as average cost per case or number of man hours per case, that sort of

thing; just to have some sort of yardstick on it.

Mr. Maloney: What we have been trying to do—I've been trying to keep a lid on staff requirements and still do the job which has to be done.

For example, take the Pickering matter that's now under investigation by my own office. It involves a group of approximately 80 cases which will be investigated, and the public inquiry before the commission will start its hearings on January 4. We were desperately in need of additional investigating staff and we've had to hire additional staff for that purpose. We hire them on a contract basis for a period of one year. In some cases, we have contract staff for a period of six months. We get individual assignments which call for special types of investigations and when the investigation into these particular areas is completed we feel the need for the investigator we've hired for a contract period will disappear.

For example, we have an inquiry into some problems brought to our attention by groups of fishermen who are having problems in relation to the Ministry of Natural Resources, which we're looking into. These are fairly complicated and as a result of that we have investigators specially assigned to that sort of project.

Mr. Mills will give you a more scientific answer as to the precise question you put to us but basically we don't approach the budget from the point of view of staff requirement, I don't think, on exactly the basis you have indicated in your question. What would you have to say to that, **Mr. Mills**?

Mr. Mills: I think I would agree with you. We looked at the payroll in September and projected that forward. The staff has been growing during the period from June onwards. Presently, we have contract people and staff numbering about 120.

Ms. Bryden: That's 120 contract people?

Mr. Mills: No, 120 people in total, of whom approximately 20 would be contract people. The realistic way to project would be to take the payroll from September; there are 13 pays remaining in the fiscal year and those were projected forward.

Ms. Bryden: Wouldn't that include sort of a bulge for the Pickering investigation?

Mr. Mills: Not when the budget was prepared, no. That's subsequent.

Mr. Maloney: That's right.

Ms. Bryden: What are the main areas where the extra load has required extra staff?

Mr. Deans: I wonder if you would just quickly run through the areas that you put before the Board of Internal Economy in order that **Ms. Bryden** could see where the money is to be spent; just quickly run through the items and the expenditures.

Mr. Mills: In the area of salaries, obviously contract staff will have to be paid; and those salaries, of course, attract employee benefits. In the case of contract employees we pay neither OHIP nor PSSF for them, but there are other benefits like Canada Pension and unemployment insurance.

In the area of transportation and communications we will have to rent vehicles. We will have to furnish an office at 211 Consumers Road, so there is telephone expense involved there. As a coincidence, our switchboard is at its maximum, which means getting into a new switchboard which means additional expense; I have got to rent a room 14 by 20 feet just to house the equipment.

In the area of services, that's exactly where the rent is charged to at Consumers Road. Then in the area of supplies and equipment, a myriad of items are buried there, everything from office supplies to the rental of furniture. These are all uniquely associated with Pickering.

We think we have enough in the area of benefits, transportation and communications and services to see us through the year. That's why the supplementary estimates confine themselves to the area of salaries and wages and supplies and equipment.

Mr. Ruston: Part of the question I was going to ask has been answered. I believe you were commenting with regard to contract employees, or was it you, **Mr. Maloney**? You are contracting out a number of these jobs because of the fact they are short-term operations. Do you then have a permanent staff that you classify? I am sure you must have. What number is the total permanent staff at now?

Mr. Maloney: As opposed to the contract staff? Yes.

Mr. Mills: It is running at about 100 permanent people and about 20 contract people.

Mr. Maloney: That includes everyone on the staff, **Mr. Ruston**. The senior as well as the others.

Mr. Ruston: What is your case-load running now in proportion to the amount of

requests you get for assistance? Have you got a rough idea of the number of requests you are getting and the number then that you can deal with under the terms of the Act that you have to work under? What proportion of calls coming in are in that category now?

Mr. Maloney: You mean cases that are in our jurisdiction as opposed to cases that are not?

Mr. Ruston: Yes:

Mr. Maloney: When you see our annual report, you will see we have chosen a cut-off date for closed files of July 10, which is the anniversary of the proclamation of the Act. We were very surprised to see that we have had to give an awful lot of assistance in money cases which technically are out of our jurisdiction. You will remember that under the Act the Ombudsman has jurisdiction to deal with acts or decisions that relate to governmental organizations, which is defined as any ministry, agency, board or commission of the government of Ontario, which excludes obviously from our jurisdiction matters in the federal domain and matters of private grievance.

We found that matters in the federal domain amounted to about 16 per cent of the cases that come to us. Matters in the private domain come to a somewhat larger percentage, if I remember, somewhere between 25 and 30 per cent. We have to refer people like that to their own lawyers or we often set up arrangements for them with Legal Aid.

Then we find we have about 16 per cent of our cases relating to complaints that are complaints against municipal or local government which are not in our jurisdiction. Although it's an operation that's funded in whole or a very substantial part by the provincial taxpayer, it's not a government organization of the province of Ontario. In addition, we get a number of complaints relating to boards of education, colleges and universities, nursing homes and things of that sort, which again while funded in whole or in part by the provincial taxpayer, are not government organizations under the Act.

[8:15]

We found that the total number of cases as of July 10 that were outside the jurisdiction of the Ombudsman, either because they were in the federal or private domain, or because they related to municipalities and so on, was close to 70 per cent. We found,

curiously enough, since July 10 and up to about October 31 that the number of cases that are coming to us now that are within our jurisdiction is increasing, closer to 50 per cent, which is rather significant.

I think our tours of the province, our public appearances in which we try to outline and spell out the limits of our jurisdiction, are paying off. The people are beginning to realize what is within our jurisdiction and what isn't. You probably will remember, if you studied the debates when the bill was passed, one of the admonitions I was given was to remember that the taxpayer of Ontario would be confused as to the jurisdiction to which his case belonged, and that I should be careful to see to it that a person who came to me with a problem that was not in my jurisdiction should be directed as to where he should go and given all the help we could. I think that was very wise advice and it certainly has been advice we follow.

Mr. Swart: Have you any figures on the rate at which the case-load over which you have jurisdiction is escalating, or of the total?

Mr. Maloney: The total case-load is escalating. It is going up, rather than going down. The number of cases that come to us now that are in our jurisdiction is closer to 50 per cent than 30 or 35 per cent as it had been.

Mr. Swart: At what rate has it been escalating in the last six months? Do you have that information?

Mr. Maloney: I hesitate to answer that off the top of my head, sir. I just don't know the answer to that. I know we have opened about 7,700 files as of a day or so ago. If you go back to May 31, 1975, as our commencement date, I would say, if you don't pin me down to this, that since July 10 that means we have increased from about 5,400 or 5,500 to 7,700 as of about the present date, as of about last night. That gives you some indication of the extent to which our volume of cases is increasing.

Mr. Swart: Can you break that down comparing one month with another month?

Mr. Maloney: I should be able to, but I just don't have the figures at my fingertips. I can undertake to provide them to you and I will send you a memorandum about that.

Mr. Swart: I would appreciate it. It seems that the case-load increase will have a bear-

ing on the estimates for the remainder of this year, and of course in the future too.

Mr. Maloney: You can rest assured. I will get a memorandum about that off to you tomorrow.

Mr. Chairman: Mr. McKessock.

Mr. McKessock: Mr. Maloney, speaking to the problems you have coming in that are out of your jurisdiction—for instance, the federal—would you put them in touch with the proper minister and proper department in the federal government? I just wonder if you would outline what you do for cases outside your jurisdiction?

Mr. Maloney: Suppose somebody comes to us with a problem in the federal domain. We first of all alert the person to the fact that it is out of our jurisdiction because it is a federal matter. We will alert him as to the ministry of the federal authority that it belongs to.

Mr. McKessock: And the name of the minister?

Mr. Maloney: We try where possible to do better than that; to put him in touch with the head of the branch of that ministry that can help him most. We have experienced some very good co-operation from the federal people in the federal civil service, the federal ministries. Rather than tell us, "Look, this is none of your affair, this isn't in your jurisdiction," they more often than not welcome our intervention and have encouraged us to stay and to assist to resolve the problem.

This is particularly so in the field of unemployment insurance and old age pensions. So when somebody leaves our office with a problem out of our jurisdiction he leaves it with a knowledge of where he should go, who he should contact, who he should see, and we will, where we can, actually set up some sort of a meeting between the two of them. We spend a lot of time, which I'd like to think we will continue to spend, on non-jurisdictional cases and prove to be very helpful to people who come to us with these problems. When you see our annual report we are going to give you some good illustrations of the type of help we have given in non-jurisdictional cases.

Mr. McKessock: I think that's really good because then it stops them from saying you're passing the buck.

Mr. Maloney: That's right; we're very careful to avoid that and very often we'll put them in touch with their federal MP.

Mr. McKessock: What about local government? Do you just tell them that's a local government problem?

Mr. Maloney: No; again, we'll follow the same procedure, Mr. McKessock. We'll try to put them in contact with the right person in the local authority who can assist them to resolve their problem.

Mr. Sargent: I'd like to ask are there any Ombudsmen in the world who have different terms of reference than you have? Do they have wider powers than you have? You cannot help in civil cases.

Mr. Maloney: No, you're right, Mr. Sargent. When I get confronted with a problem that involves a private grievance with a citizen and another citizen or between a citizen and a private corporation, I have to tell them that's out of my jurisdiction because it's not the act of a government organization. Then what I try to do is to see to it that they get into the hands of a lawyer. If they can't afford a lawyer, we try to direct them as to how they become eligible for Legal Aid service. Matters of private grievance are not in my jurisdiction here; and insofar as I know they aren't in the jurisdiction of an Ombudsman anywhere in the world.

There are lots of other Ombudsmen who have wider jurisdiction than I have; for example, Nova Scotia, and I think Alberta. At least Alberta is about to get it, if it does not have it now; and I think BC will have it. They will have jurisdiction to deal with complaints against municipal or local government, which we don't have in Ontario.

Nova Scotia has a schedule to the Act that provides the various boards, agencies and commissions over which its Ombudsman has jurisdiction. They're actually put on a schedule and you'll find that most of them are organizations that are funded, in whole or substantial part, by the Nova Scotia taxpayer. It's not restricted as it is here in Ontario. Therefore, the Nova Scotia Ombudsman would not only have power to deal with municipal complaints or complaints against municipal or local government, he'd have jurisdiction to deal with the boards of education and with nursing homes and that sort of thing, which presently are outside my jurisdiction.

Mr. Sargent: I may have missed this, but if you had those wider terms of reference or powers, what percentage of the case-load would you have then, if you could work in the municipal area?

Mr. Maloney: I'd say the percentage of cases we get complaints about in relation to the municipal authority would add about 16 to 20 per cent to our case-load, that is, of cases that we would have jurisdiction to handle.

Mr. Sargent: Who sets your powers now?

Mr. Maloney: The terms of reference are contained in The Ombudsman Act.

Mr. Sargent: They were set by the Lieutenant Governor?

Mr. Maloney: By the Legislature.

Hon. Mr. Welch: By the Legislature.

Mr. Sargent: By the Legislature, thank you.

Mr. Deans: In fairness, by both.

Mr. Sargent: We don't need that man in here right now. I know you'll be frank with us. Can you see the need to expand, with wider powers?

Mr. Maloney: I've already gone on record as saying that I really think we should be closer to the Nova Scotia concept and that the Ontario Ombudsman should have jurisdiction to deal with the actions of any agency that's funded in whole or substantial part by the provincial taxpayer. We spent a lot of time dealing with them anyway. It'll add quite a bit to our workload, but it's not going to add that much to give us the jurisdiction I think the Ombudsman ought to have if he's going to do a really effective job for the citizen in every area that is of concern to the citizen.

Mr. Sargent: I want to go on record that I'm totally behind the Ombudsman. As a private member I should think his budget, regardless of whatever it is, if he sees the need for it, should be supported.

Mr. Maloney: Thank you.

Mr. McKessock: One other thing; you must get involved with a lot of cases or a lot of situations where you see maybe the law is wrong or it should be changed a little bit so that these problems won't arise. Can you and do you make recommendations to the government in the different ministries as to how you think it should be changed to stop some of these complaints coming in?

Mr. Maloney: Mr. McKessock, there is power under the Act, where I see a law that strictly speaking is correctly applied but produces an unjust result, to make a recom-

mendation that that law be amended, altered, varied or repealed; and we have done that in a few cases in the last few months. It is premature to say what action will be taken on our recommendation because we haven't been in operation long enough to make any prediction as to that. This is one of our terms of reference and one of our powers.

Mr. Chairman: I would like to inform the members of the committee that we are expected to go back to the Legislature at 8:35 p.m. to vote.

Mr. Ruston: I'll be through before that.

Mr. Chairman: Mr. Ruston.

Mr. Ruston: One thing, if I could ask, and I hope it is not unfair, but I'm sure you are capable of answering in whatever way you wish: With regard to something we are dealing with now in the regulations committee, and we are stymied, really, to do much with it unless we get wider powers; I was wondering, when the Gazette comes out, do you see yourself at some time maybe serving some need there—well, what I am really wondering is if maybe your office could in effect go through the Gazette or the Acts to see that items dealt with are not ultra vires or in some other unacceptable way when regulations are passed.

We are looking for some way to improve our system as far as the present regulations are concerned. The most important part that I've been able to find from other jurisdictions is that the main thing is to see that they are not ultra vires of the Act itself. Would that appear to you to be a major undertaking, or would there be some way, maybe, with the type of staff you generally have available, that maybe they would blend in in some way with that work?

Mr. Maloney: I must say I have never really addressed my attention to that, Mr. Ruston. The regulations are passed, ordinarily, as a result of the enactment of an order in council passed by the cabinet, and under The Ombudsman Act the actions or the deliberations or the proceedings of the cabinet are outside the competence of the Ombudsman. We wouldn't, therefore—I say this off the top of my head in answer to the question you put—we wouldn't ordinarily be reviewing regulations because of that restriction on our jurisdiction. If in the course of the study of a particular case we felt that a regulation produced an unjust result in its strict application we wouldn't hesitate to recommend its change.

Mr. Ruston: So you could actually run into it anyway at some time?

Mr. Maloney: We could in that instance.

Mr. Ruston: In some of your investigations of complaints, it is possible you could find out where maybe a regulation was passed at some time that was not in keeping with the Act.

Mr. Maloney: If it appears in our opinion to produce an unjust result in a particular case, I would feel that under the present legislation we would have authority to bring the matter to the attention of the government.

Mr. Ruston: Maybe you could think about it, maybe at your annual report, but what I am looking for is some way to avoid setting up another bureaucracy, as the case might be, or another system to check these over or to go through them; and thinking of the type of staff you have—a number of legal people and so forth—maybe it might blend in some way; and if they are, then you would, of course, report to a committee of the Legislature which in turn reports to the Legislature. Anyway, that's just something I thought I would throw out and maybe you could address yourself to it some time when you have a spare moment.

Mr. Chairman: Thank you, Mr. Ruston. Mr. Gaunt.

Mr. Gaunt: May I have a word? I was interested in the procedure which your office employs, Mr. Maloney, with respect to follow-up, having to do with problems that are referred to you, either in a direct way when you are moving around the province or through members or through other systems of referral.

[8:30]

I have in mind two or three cases of my own, where I was involved in dealing with your representative and all of a sudden the matter just died, so to speak. In one instance it involved the Ministry of Health and an ambulance service contract; I think the file from the Ministry of Health was sought by your office some time during the first part of September. I had understood at that point I was going to be informed of the disposition of the matter as to whether your office could do anything about it; and if not, what course of action was being suggested. I haven't heard a word since.

I'm wondering what sort of finalization process you use in dealing with these matters where, firstly, you can do something about it and you notify or otherwise the people involved or who have been involved at some stage along the piece or, secondly, where you can't do anything about it and where people are still wondering what the disposition is and the reasons for that disposition. Do you have any set procedures in this respect? That's really what I'm asking.

Mr. Maloney: Mr. Gaunt, if the case was clearly outside our jurisdiction, you would have been told that. If it was a doubtful case of jurisdiction we were still researching, you would have been told that. If it's a case that's under investigation, which I believe the ambulance case still is, you'll be notified of that as we get closer to the conclusion of the investigation. I'm surprised you haven't been kept posted on it and I'd like an opportunity to look into that first thing tomorrow. We'll get through to you and let you know what progress is being made about that.

We have a heavy backlog of cases; I'm concerned about that; when the backlog gets to a point where it really worries me, I call in some temporary contract staff to help us get over that backlog. As a matter of fact, we just made arrangements in that regard about three weeks ago. I can't tell you off the top of my head the status of the ambulance case, but I will tomorrow.

Vote 701 agreed to.

Mr. Chairman: Thank you, Mr. Maloney. That completes the supplementary estimates of the Office of the Ombudsman.

It has been drawn to my attention that we're not expected to vote now until about 8:55 p.m. I see we have Mr. Scott here, the Provincial Auditor. Probably we should ask Mr. Scott to come up to the front at the moment.

SUPPLEMENTARY ESTIMATES, OFFICE OF PROVINCIAL AUDITOR

Mr. Chairman: We will now consider the supplementary estimates for the office of the Provincial Auditor. Mr. Scott, do you have any opening comments to inform the committee as to the reasons for these supplementary estimates?

On vote 601:

Mr. Scott: Mr. Chairman, I had the pleasure of appearing before this committee in

May, I believe it was, for my regular estimates. At that time I indicated that due to policy there would be a shortfall of \$50,000 in our estimates; that is recorded in Hansard. Since then there has been a subsequent economic adjustment, as of October 1, which has increased our shortfall from \$50,000 to \$95,000.

I must say that the amount of money we are requesting is just to take care of the economic adjustments in the merit increases for the fiscal year 1976-77, which were not provided. It was anticipated at the time of our original estimates that we would have access to the \$171-million contingency fund in the Management Board of Cabinet. However, a motion of the House, in June I believe, put the jurisdiction of the estimates of the Provincial Auditor under the Board of Internal Economy. That is the reason I am here before you this evening to request \$95,000 in additional funds in order that my staff may have the economic adjustments and the merit increases on the same basis as any other public servant. That's all I have.

Mr. Chairman: Are there any questions from members of the committee?

Vote 601, agreed to.

Mr. Chairman: That completes the supplementary estimates of the office of the Provincial Auditor.

Mr. Deans: It should be so easy. I think some people are afraid of the auditor. Question him, go ahead.

An hon. member: He's a watchdog.

SUPPLEMENTARY ESTIMATES, OFFICE OF THE ASSEMBLY

On vote 201; item 1, Office of the Speaker:

Mr. Chairman: There are a number of items here and we'll take them item by item. Are there any questions on item 1?

Mr. Swart: Can we have an explanation of what the increase is?

Mr. R. Lewis: I think Mr. Miggiani will bear me out that the only reason for the increase in the supplementary estimates for the Speaker is the adjustment in salaries that was authorized fairly recently, and the accompanying fringe benefits.

Mr. Swart: May I ask were these adjustments not anticipated at the beginning of the year and any reserve established for them?

Mr. R. Lewis: No, they were not at that time because of the freezing. Isn't that correct?

Mr. Deans: Yes, that's correct. It should be pointed out there's no provision for anticipation of additional expenses. The only thing the Board of Internal Economy is authorized to approve is the actual expenditure justified. Each of the various groups within the Office of the Assembly is required to request additional funds through supplementary estimates.

Item 1 agreed to.

On item 2, Office of the Clerk:

Mr. R. Lewis: The explanation is the same for the Office of the Clerk. It's to take care of the additional salary that was not provided for in the original estimates, the merit increases to staff and the accompanying employee benefits.

Under transportation and communications, the original estimate was low because some of the things that are transpiring this year, such as the Commonwealth Parliamentary Association meeting, will necessitate additional funds for the transportation and communications vote. I don't know if Mr. Miggiani has anything more to add on that or not.

Mr. Miggiani: No, that's fine.

Item 2 agreed to.

On item 3, chief election officer:

Mr. R. Lewis: As far as this is concerned, this is almost entirely the merit increases. The one salary increase that is not just the ordinary merit increase is the fact that my assistant chief election officer, Mr. Bailie, while he was undergoing a trial period, was not appointed by order in council as the Act requires but was simply appointed as assistant to the chief election officer. Once he had shown that he was capable of occupying the position, he was appointed by order in council as assistant chief election officer. At that time he got a reasonable increase for his promotion, but other than that it's simply for the normal merit increases of the staff of the election office and related employee benefits.

Item 3 agreed to.

On item 4, Hansard:

Mr. Deans: I have a comment. I hope that we get that sound system fixed. It is atrocious.

Mr. R. Lewis: Mr. Speaker assures that it will be.

Mr. McKessock: There are many people in Grey riding who will gladly come down and put in a new system.

Item 4 agreed to.

On item 5, sessional requirements:

Mr. Lane: Can we have an explanation?

Mr. Chairman: Mr. Miggiani.

Mr. Miggiani: Well, \$818,000 of that represents select committees. That is, all the select committees that were introduced this year on highway transportation, highway safety, company law and the Ombudsman's report.

Mr. Deans: Interestingly enough, if anyone wants to know where the money comes from for select committees, that's where it comes from.

Mr. Swart: What items are included in the services? I presume a substantial proportion of the transportation is what it says, to transport members.

Mr. Miggiani: Travelling expenses, accommodation, consultation fees.

Mr. Deans: Consulting fees, expenses, per diems I assume.

Mr. Fleming: Advertising and rental of meeting rooms, that kind of thing.

Mr. Deans: Hotel accounts and things like that?

Mr. Fleming: That's right.

Item 5 agreed to.

On item 6, members' indemnities:

Mr. Deans: This covered the change in the benefits. It was much needed and, I understand from 124 other members, appreciated.

Item 6 agreed to.

On item 8, caucus support services:

Mr. Deans: Just some general changes in the level of payment to the caucuses for over-runs and added costs.

Mr. Swart: Does this include the payments to our constituency assistants?

Mr. Deans: No, that comes in item 13.

Item 8 agreed to.

On item 9, administration:

Mr. Deans: During the time that we made the initial calculations there were certain supplies and equipment that were traditionally paid for by some unseen fund. We never quite understood where it was. Suddenly we found that it was paid for by the Office of the Assembly, and so I think some of the supplies and equipment were accounted for in that way.

Mr. Fleming: Out of the total of \$145,000, there are \$114,800 allocated to furniture, fixtures, equipment and supplies for expenditures. That means, for instance, drapes for the chamber which are going to be changed at the south side, printing equipment, additional typewriters—in fact, everything that services the caucuses as well as the offices of the assembly.

Item 9 agreed to.

On item 10, press clipping services:

Mr. Deans: What is there in this account?

Mr. Fleming: Press clipping services? As you know, there is a press clipping service that serves members, and there were \$6,800 additional required for summer students who came in to assist the service. There were \$12,600 for temporary help for increased service, for equipment rental and supply and repairs; and there were \$1,000 for office supplies required to meet these increased services. The service strictly services the members and the caucuses, but nevertheless it has been expanding slightly in the last year.

Mr. Ruston: Where is this located now?

Mr. Fleming: It's located over on Grenville Street.

Mr. Ruston: Oh, yes.

[8:45]

Mr. Deans: Just a word about it—incidentally, I can recall not too many years ago, I think two years ago, we cut back on the press clipping service and some of us were a bit apprehensive about the cutbacks which took place. I think the member for Huron-Bruce and a number of others, including me, expressed some concern because it seemed to be getting cut back rather drastically. It is evident to us that those cutbacks have been too drastic.

Mr. Gaunt: I think they should be brought back into this building.

Mr. Swart: I would like to have a little detail about what is supposed to be provided under the press clipping service. In

my own case, my constituency assistant does press clippings and I get three times as many press clippings through my constituency assistant as I do through the Office of the Assembly. What is provided in this? What are we supposed to get?

Mr. R. Lewis: What you ask for.

Mr. Deans: If you were to request the press clipping service to give you the clippings on a particular topic, a particular ministry, a particular area, an individual or a company, they would provide you, on a day-to-day basis, with everything that goes across their desk with regard to that particular area of interest. If you asked them to give you, for example, everything pertaining to municipal government in x, y and z areas they would keep giving you that for a hundred years until you told them you didn't need it any more.

Mr. McKessock: How often do they give them to you?

Mr. Deans: They will give them to you on a daily basis.

Hon. Mr. Welch: It is at your initiative.

Mr. Deans: You would get them regularly—every day or every second day.

Mr. R. Lewis: As soon as there was anything on that subject in the papers they would send it to you.

Mr. Deans: Let me address myself to that for a moment because we have had some problems with it. What happens is members say to the press clipping service: "Can you provide me with clippings on a topic? Or: 'I am the critic for such-and-such a thing; could you give me everything reported in the normal print media from that particular area?'"

If you don't tell them to stop it you get press clippings this high because every time you add, they add; they don't subtract. They never subtract anything.

If you plan to use the press clipping service you should, on a regular basis, review what your needs are. You tell them what area you are interested in and get that for a period of time. If you change your interest or want something different, you tell them to stop what you are getting and give you something else.

I have colleagues in my caucus—and I am sure you have them in yours—who have piles and piles of press clipping service papers which reflect their interests of five, six and seven years ago. They haven't been involved

in them for some considerable period of time. I keep urging them to tell the press clipping service they don't want them any more.

Mr. McKessock: Does that come in every week or every two weeks or something like that?

Mr. Deans: No. They come in at least once a week.

Hon. Mr. Welch: Twice a week.

Mr. Deans: Twice a week? Thank you. They come in regularly.

Mr. McKessock: How many papers are covered?

Mr. Deans: I think you have to tell them—every daily that comes in—

Mr. Fleming: They cover every weekly and every daily in Ontario.

Mr. Deans: Everything that comes into the library.

Hon. Mr. Welch: You should pop in and see it.

Mr. Deans: I would urge you all to go down and talk to the press clipping people and ask them what they are capable of providing for you. They provide a fabulous service.

Mr. Swart: But it is only on request?

Mr. Deans: On request.

Mr. R. Lewis: Mr. Chairman, the members might be interested in the history of the press clipping service. When my father was appointed Clerk of the House there was no Hansard at that time at all. There was no Hansard until 1947, in fact. Realizing that there was no place to which the members could go to find out what was said in previous debates in the House and so on, except the newspaper morgue, he started this press clipping service in a very small way as a service to the members. It grew up, over the years, to be a service to all boards and commissions and departments and everything else. Recently it was cut back to its original status of a service to the members of the Legislature.

Item 10 agreed to.

On item 12, legislative library.

Mr. Chairman: Legislative library, \$15,100.

Mr. Deans: Salaries again. The same explanation, I think; salaries and adjustments.

Mr. Gaunt: This is where the press clippings service should be, as part of the library.

Mr. Deans: I think it may be. There is a report coming out on that. That may be true.

Mr. R. Lewis: I recommended that 20 years ago.

Item 12 agreed to.

On item 13, constituency offices:

Mr. Deans: This was to cover the changes we made in the allowances for rent, postage and stationery, which we approved at the Board of Internal Economy some two or three months ago.

Mr. Fleming: This included the increase in the office accommodation level from \$3,600 to \$4,200; that makes up \$75,000 out of a total of \$140,000.

Mr. McKessock: Is it \$300 for office supplies?

Mr. Fleming: It's \$300 for office supplies and \$200 for mailing now.

Mr. McKessock: I have already written one cheque of my own on the \$300 allotment.

Mr. Deans: I want to suggest to you in that regard, incidentally, that if you are finding that more and more of your work is being done outside and less and less here, that it might be useful to bring that to the attention of your caucus representative—I intend to raise it in any event in order that we might make some adjustment to the way

in which supplies are allocated. In all fairness, I think it might be useful if we were to consider allocating supplies to the member to be used wherever and however the member desires, whether it be in the constituency office or whether it be used in the office here. I think that's a matter that will be before the board very soon.

Mr. Swart: I would again like to make a pitch that has been made many times and about which I think there is agreement, that if we can find the money, our constituency assistants should be put on at least the same salary basis as our constituency assistants here in the House. The type of job they are doing, the social work they are doing in dealing with a great variety of departments, warrants that kind of a salary. I realize it is not in here and it can't be in till next year but I—

Hon. Mr. Welch: That is on the agenda for next meeting.

Mr. Deans: I have that matter on the agenda for the next meeting of the Board of Internal Economy.

Item 13 agreed to.

Vote 201 agreed to.

Mr. Chairman: That completes the supplementary estimates of the Office of the Assembly.

Thank you, members of the committee, for your kind attention.

The committee adjourned at 8.53 p.m.

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Bryden, M. (Beaches-Woodbine NDP)
Deans, I. (Wentworth NDP)
Edighoffer, H.; Chairman (Perth L)
Gaunt, M. (Huron-Bruce L)
Lane, J. (Algoma-Manitoulin PC)
McKessock, R. (Grey L)
Ruston, R. F. (Essex North L)
Sargent, E. (Grey-Bruce L)
Swart, M. (Welland-Thorold NDP)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)

Office of the Ombudsman officials taking part:

Maloney, A. E., QC, Ombudsman
Mills, J. A., Director of Administration

Office of the Provincial Auditor official taking part:

Scott, F. N., Provincial Auditor

Office of the Assembly officials taking part:

Fleming, R. J., Director of Administration
Lewis, R., Clerk of the House
Miggiani, J. M., Finance Officer

Government
Publications



SUPPLY COMMITTEE

DEBATES AND PROCEEDINGS

of the

Third Session of the Thirtieth Legislature

of the

Province of Ontario

March 12, 1976 – December 7, 1976

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Hug 219; Hutchison 219-20; MacBeth 3119; Sinclair 3119; J. R. Smith 218-9; Stong 217-9, 3118.

Children, problem

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Children's boarding/group homes

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Children's institutions

Algar 270; Breaugh 270, 273; G. H. Carter 273-9; Sandeman 270-1; J. R. Smith 270-3.

Children's rights

M. Campbell 2692-3; Hilton 2697; Lawlor 2696-7 (Chairman); McMurtry 2692-3.

Churches/religious groups

MacDonald 1788-90.

Citizen groups

M. Campbell 3140-1; Godfrey 3526; Kerr 3526; MacBeth 3121-2, 3137.

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Civil servants

Angus 1189; A. G. Campbell 2401; Davison 1191; Goodman 2135-6; Handleman 736; LeClerc 736; Moffatt 736; Scrivener 1189; Strauss 1192.

Class action, legal

Handleman 958, 963, 965-6; Lawlor 962 (Chairman); Renwick 965-6; Singer 958, 964-5; Weinstein 963; J. K. Young 963.

Coal/lignite

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Timbrell 3090-1, 3252, 3290, 3301-2;
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Collection agency, Government Services

Angus 1080; Bryden 1082-3; M. Campbell 1080; Ruston 1083-4; Scrivener 1079-82;
Strauss 1080; Thatcher 1081; F. William-
son 1080, 1082.

Collective bargaining

Armstrong 2878-9; Bounsall 2872-6, 2879,
3053-4; Bullbrook 2765-8; D. Carter
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Commission, election expenses

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324-5; Roy 313-5; Scrivener 932;
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Commission, Niagara escarpment

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Commission, oil/gasoline prices

Gigantes 3154-5; Timbrell 3154-5, 3161.

Commission, urban standards

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Commissions, re

Lawlor 2415-6; McMurtry 2414-6;
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Committee, bankruptcy

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Committee, central lakeshore urban complex

Cassidy 1120-1; Strachan 1120-1.

Committee, housing

Riggs 1279.

Committee procedures

Breaugh 788-9, 1476, 1479; Bryden 1091;
M. Campbell 1091, 1475, 1477, 1479,
1487, 1499, 1501-3, 1505; Deans 1503-5,
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1500-1, 1503, 1512-3; Gregory 1090-2;
Handleman 717, 719, 788; Kennedy 1477,
1505, 1513-4; Lane 1091; MacDonald
721; Moffatt 717-20, 787-9, 1476, 1505-6;
Nixon 1477-8; Norton 1479, 1508-9, 1514,
1516; Peterson 1507, 1511, 1515-6; Reed
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1509; Singer 720, 1499, 1507-8, 1511-2,
1514; Stong 1475-6, 1479; Swart 1091;
Welch 1488-9.

Committee, sand-gravel industry

Bernier 2677-8; Gaunt 2677-8.

Committee, statutory powers rules

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Committee, transportation

G. H. Johnston 1364; Reid 1364; Snow
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Communications/services

Angus 1197-8; Clifford 1585-6; Gilbert
1586; R. S. Smith 1585-7; Snow 1585-7;
Towers 1197; Wildman 1587.

Community planning/programmes

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Community resource centres

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Compensation, crime victims

Hilton 2978-80; Lawlor 2979; MacBeth
3117-8; Roy 2978-9; Sinclair 3116-7;
Singer 2980.

Compensation, farmers

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Riddell 1796.

Compensation, fishermen/allied industries

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Computers

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533; Graham 1769; Hall 456-7; Reid
1468; Scrivener 533; Singer 1645;
F. E. Wood 1468.

Conciliation/mediation

Armstrong 2887-8; Bounsall 2757;
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Conference, young farmers

Lantz 1811-2; MacDonald 1811-4;
McKessock 1813; W. Newman 1811-3.

Conglomerates

MacDonald 1784-6; W. Newman 1802;
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Conservation authorities

Bernier 2187, 2457-71; Bryden 2461-2;
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Makarchuk 2457-60; Mancini 2481-4;
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Consumer counselling/information

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Consumer protection

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Consumer reporting services

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Containers, returnable/non-returnable

Eskel 2525, 2545; Ferrier 2524; Haggerty 2544-5, 3468, 3475; Irvine 3475; Kerr 3547-8; Lane 3547-8.

Contractors

Davison 1458-9; Snow 1459.

Contractors, sub-trade

Armstrong 2834; B. Newman 2833-4; Rhodes 1221; Riddell 1289; Rose 1289.

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Adcock 1459; Callaghan 2398-9; M. Campbell 979-82; Davison 985-6, 1458-9; McClellan 975-8; Renwick 2398-9; Scrivener 976-81; Snow 1458-9; Thatcher 985-6.

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Co-operatives

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Coroners/inquests

Breaugh 1845-9; Cotnam 1845-50, 1891-902; Gregory 1900-2; Laughren 2639-40, 2645; Lawlor 1899-900 (Chairman); MacBeth 1757, 1844-5, 1848, 1892, 1894-6; McCrodan 2645; B. Newman 1844-5; Sandeman 1756-7, 1849-50, 1891-7; Singer 1894, 1898-900.

Corporation directors/executives

Handleman 872; Lawlor 872 (Chairman).

Corporations, multi-national

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Correctional institutions

E. E. Adams 2130-4; Breaugh 426-7, 3067; G. H. Carter 427-8; Hughes 487-8; Kennedy 2129, 2131-3; Lawlor 496, 2137; MacBeth 3067; Maloney 1484, 1486, 2123, 2129-30, 2137-8, 2143; Pahapill 592-3; Sandeman 209-16, 481-6, 2133; J. R. Smith 207-9, 426, 486-7.

Correctional officers

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Corrosion

Handleman 949-51; H. T. Jones 1067; Moffatt 1067; Reed 949-51.

Cottagers/cottages

Gartner 2169-70; Kennedy 2169-70.

County/township affairs

Bain 1938-40; MacDonald 1939; W. Newman 1938-40.

Court clerks/officers

McLoughlin 2926; McMurtry 2926; Roy 2926.

Court masters

McMurtry 2927; Roy 2927-8; Singer 2929; B. Wright 2928.

Court reporters

Callaghan 2860-1; Lawlor 2860-1; Singer 2929; B. Wright 2860-1.

Courthouses/court facilities

Cunningham 573; Kennedy 2863-4; MacBeth 3220; McMurtry 2451; Scrivener 573, 1077; Stong 2450; B. Wright 2864.

Courts, administration of

M. Campbell 2930-1; Lawlor 2850-2, 2855-6, 2904-7 (Chairman), 3220 (Chairman); McMurtry 2851-2, 2862, 2930-1; Roy 2217-8; B. Wright 2861-2.

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Courts, juvenile/family

M. Campbell 2553, 2558, 2693-5, 3213-4; Lawlor 2556-7, 2697 (Chairman); McMurtry 2495, 2552, 2557-9, 2693-5; Roy 2558-9; Sandeman 2493-4, 2496, 3127.

Courts, provincial/county/district

Lawlor 2855-6; McMurtry 2856.

Courts, small claims

Lawlor 2555-6, 2855-6; McMurtry 2932; Roy 2932-3.

Courts, supreme/high

Handleman 1316; Singer 1315-8.

Credit/controls

Handleman 811-2; Sandeman 811-2.

Credit rating

Rhodes 1220.

Credit unions

Grossman 860; Handleman 859; Lawlor 859 (Chairman); McDonald 1304; Rhodes 1304; Warner 1304.

Crime/criminals

Breaugh 1665, 1667-9; Gartner 2082-3, 2083-6; Kerrio 2074, 2081; MacBeth 1665-9, 2083-6; Roy 2081-6; Sandeman 1666-7.

Crime, organized

Breaugh 1636, 1762-9; DuGuid 2094-5; Graham 1763, 1765-6, 1768, 1775-6, 2070-1; Gregory 1320; Handleman 1320, 1329; MacBeth 1647, 1766-8; Roy 1329, 1773-6, 2069-71; Singer 1645, 2094.

Crime prevention

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Criminal charges

M. Campbell 2093; Erskine 2093, 2173-4; Gartner 2082-3, 2085-6, 2091-2, 2172-3; Lawlor 2086 (Chairman), 2171-5; MacBeth 2083-6, 2091-2, 2175; Roy 2082-6; Sandeman 2092; Singer 2093, 2173.

Crowd handling

Breaugh 1662-3; Gartner 2176; Lawlor 2176 (Chairman); MacBeth 1661-4, 2176; McCague 1663-4; B. Newman 1987-8; Russell 1663-4; Singer 1645, 1661, 1663, 2176.

Crown attorneys

Callaghan 2714-5, 2786, 2789-92, 2796-7, 2855-6; M. Campbell 2714-5, 2792-3; Greenwood 2789-90, 2792-3; Lawlor 2786-92, 2796, 2855-6; McMurtry 2222, 2354, 2782-93; Roy 2354, 2782-3, 2790-2, 2797; Sargent 2785-6; Stong 2791-2.

Crown corporations/agencies

Bryden 2938; Eastham 2938; F. N. Scott 1267-70; Shore 1267-9.

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man), 2715 (Chairman), 2775; McMurtry 2775-83; Nixon 2712-4.

Curriculum

Mackey 425; Stong 430.

DARE programme

M. Campbell 266; J. R. Smith 266.

Daycare/centres

Bounsall 2895; Bryden 1214; M. Campbell 529-30; Clarke 2942; Hills 1214; McClellan 2943; Sandeman 2894, 2942; Stephenson 2895.

Dean, Norma case

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Bain 2265-9; Bernier 2269; Callaghan 2708, 2714; M. Campbell 2714-5; Greenwood 2708; Reynolds 2265-9; Stokes 2267-8.

Decentralization, industry

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Decentralization, population

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Deeds/land titles

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Handleman 859.

Designated areas (OHAP)

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Detectives, private

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Detention centres, adult

Breaugh 3068; Hughes 503, 588; Lawlor 3219 (Chairman); MacBeth 3219-20; McMurtry 2221; Roy 501-4, 2216-7; Sinclair 3069; J. R. Smith 502-3, 586-7; Stong 583; G. R. Thompson 501.

Detoxication centres

MacBeth 3129-31; Sandeman 3128-30.

Development Corporation, Eastern Ontario

C. Bennett 3714-8, 3726-9, 3731; Conway 3711-8; Joyce 3717-8.

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Angus 3688-96, 3719-21; C. Bennett 3688-96, 3698-9, 3707-10; Bros 3695;

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Development Corporation, Ontario

C. Bennett 3703-5, 3726-37; Cassidy 3726-36; Joyce 3703-5; McKessock 3703-5.

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Angus 3371, 3718; C. Bennett 3335, 3361, 3363-4, 3367-9, 3371; Eakins 3350.

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Disclosure, Ombudsman's reports

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Disclosure, public/financial

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G. I. Miller 3008-9; Stephenson 3008-9.

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Bounsall 3047; G. A. Brown 3046-7; Mackenzie 3046; B. Newman 3043-5; Stephenson 3043-5.

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Districts, Natural Resources

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Employment, summer/student

Bounsall 3028-9; J. Scott 3028;
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Engineers, operating/stationary

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Assembly 117-46, 149-80, 299-327, 331-64,
367-96; Ombudsman 1475-94, 1499-516,
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2159-80; Transportation and Communica-
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1593-626, 1673-97, 1717-45.

Estimates, supplementary

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Estimates, supplementary, re

Drea 1501.

Exhibits

C. Bennett 3395; Ruston 995; Scrivener 995; Tobias 995; Williams 3394-5; York 3395.

Expense accounts/travel expenses

Lawlor 1819 (Chairman); Lucas 1819; MacBeth 1820.

Exploration, mineral

Bain 2255-6, 2661; Bernier 2186-7, 2244-5, 2642-3, 2651-2, 2657; Bryden 743-4; Handleman 741; Laughren 2280, 2635-6; Mohide 2280; Pattillo 741-3; Pye 2655-6; Reed 740; Reid 2657; Reynolds 2658; Sargent 2656-7; S. Smith 2204-5; Wildman 2655-6.

Exploration, oil/gas

Clendining 3168; Gigantes 3245-6; Haggerty 2648, 2658-9; Hurd 2659; MacLean 3293; Makarchuk 3321-3; G. I. Miller 3275; Timbrell 3107-8; 3245-6, 3250-1, 3275-6, 3321-3; Williams 3292-3.

Explosions/bombings

Bernier 2667; Laughren 2666-7, 2957.

Exports

Angus 3343; C. Bennett 3360-1, 3380-1.

Exports, food

Eaton 2036-7; W. Newman 2035-7; Riddell 2036.

Exports, produce

Moffatt 70; W. Newman 70.

Expressways

Davison 1471; Gilbert 43, 1471; Haggerty 43; Philip 1358; Reid 34; Snow 35, 43, 1358.

Expropriation

Drea 537; Gilbert 1728, 1736-7; Lawlor 2980-1; Scrivener 537; Snow 1728; Wildman 1728.

Falconbridge Nickel Co.

Armstrong 2950-1; Laughren 2637, 2950-2; Stephenson 2952.

Family/property law

Callaghan 2400-1.

Family, single-parent

Cassidy 1229-30; Rhodes 1229-30.

Farm enlargement/consolidation

W. Newman 1951-2.

Farm extension branch

W. Newman 1875; Riddell 1875.

Farm fences

W. Newman 1950; Wildman 1950.

Farm income/prices

MacDonald 2010; Moffatt 69-70; B. Newman 2009-11; W. Newman 63, 69, 2009-11; Riddell 2010.

Farm income stabilization programme

Haslett 1884; MacDonald 58-9, 65, 1793, 1807-8, 1811, 1883-4; McKessock 74-6, 1881-4; Moffatt 67-8; W. Newman 62-78, 1782, 1807-8, 1811, 1881-4; Riddell 59-60, 1798, 1807-8.

Farm machinery

R. G. Bennett 2054; Eaton 2049; Hodgson 2053; Lantz 2053, 2055; MacDonald 2049, 2052-3, 2055-6; McKessock 2049, 2053; G. I. Miller 2051-3, 2056; W. Newman 2049-56; Rennie 2048-52; Riddell 2052-4; Wildman 2049-51, 2054-5.

Farm management/programmes

Mancini 3200; Timbrell 3200.

Farm products marketing board

Burrell 2019-22; MacDonald 2019; W. Newman 2019.

Farm structures

R. G. Bennett 2051; MacDonald 1951; W. Newman 1951.

Farm vacation hosting

C. Bennett 3441-2; Boyer 3441-2; J. Johnson 3441; McKessock 3441-2.

Farmers/producers

Maloney 1485; McKessock 75-7; W. Newman 75-7; Villeneuve 929-30.

Farming

MacDonald 1783-94; W. Newman 71-2, 1781-3, 1801-14; Riddell 1794-801; Shore 71-2.

Farming, beef

Lane 565-6, 1944-5; MacDonald 59, 65, 67, 1945; McGill 1884-5; McKessock 64, 75-1885; W. Newman 62-7, 77-8, 1782,

SUBJECTS—*Continued*

1935-6; Riddell 61; Spence 77-8; Wildman 1935-6.

Farming, dairy

MacDonald 1793; McKessock 1881-3;
W. Newman 1809, 1881-5, 1937; Wildman 1937.

Farming, fruit/vegetable

Lane 565-6; Riddell 1800.

Farming, northern Ontario

Angus 1927-30; R. G. Bennett 1927; Lantz 1928; MacDonald 1932; W. Newman 1927-30; Wildman 1933.

Farms, family

MacDonald 1995-6; Mancini 1876-7;
W. Newman 1876-7, 1995-6.

Farms/farm lands

R. G. Bennett 1996; Cassidy 1011, 1121-2;
Crown 1993, 1998; Drea 538; Dunne 848;
Farrow 1004, 1010-1; Godfrey 1032-3,
1106-7, 1872-3; Gregory 640; Haggerty
1004-5, 3467; Hall 824, 1127-8; Irvine
3474-7; Lane 3477; Lantz 1868-9;
MacDonald 1790-3, 1804, 1866-73, 1994;
Makarchuk 847-8; McKessock 3489;
W. Newman 1803-6, 1866-75, 1993-2000;
Nixon 1868-72; Rhodes 701, 1004, 1033,
1106-7, 1121-3, 1127; Riddell 60-2, 1795-7,
1804-6, 1997-8; Ruston 538, 640, 1998-9;
Sandeman 1739; Scrivener 538, 566-7,
640; Thatcher 640; Wildman 3480;
Williams 701-2; Wronski 701-2, 824.

Fatalities/deaths

J. Johnson 3007; Lawlor 2227-8;
McClellan 3015; Renwick 2228; Snow 49;
Stephenson 3007.

Federal-provincial co-operation

Martel 108; Snow 108.

Ferries

Clifford 1548-50; Gilbert 1548-51; Lane
1550-1, 1735; Reid 1548; Snow 1548.

Films/industry

Angus 3398-400; C. Bennett 3333,
3398-400, 3422-6; Cassidy 680; Garland
3423; Gregory 1319-20; Kerrier 3426;
MacBeth 1633-4, 3122, 3131; Mackey 421;
Reed 1318-9, 3425-6; Samis 3422-5;
Sandeman 421; Snell 680.

Financing election campaigns

Bounsall 302-6; Bryden 307; Swart 310-1;
Wishart 303-325.

Financing housing

M. Campbell 458; Hall 1306; McDonald

451, 1299-302, 1304; Peters 1307-9; Riggs
1306, 1310-1; Shore 1300-1; Warner 1304.

Financing water/sewage projects

Kerr 94-5; Makarchuk 94-5.

Fines/sentences

Armstrong 2838; Callaghan 2395-7, 2401,
2404; A. G. Campbell 2401, 2403, 2408;
di Santo 2997; Germa 2836-8; Godfrey
3528-9; Hushion 2995-6; Kerr 3528-9;
Lawlor 2397, 2401, 2502-3, 2610-1, 2904
(Chairman); MacBeth 3079; Mackenzie
2840; McClellan 3015; McMurtry 2395,
2903-4; Mulvaney 3529; Renwick 2407-8;
Roy 2395, 2403-4; Sandeman 2502;
Sinclair 3074; Stephenson 2997; Stone
2502-3.

Fingerprinting

Lawlor 1820 (Chairman); Lucas 1820.

Fire code

Haggerty 1830-1; Kendall 1830-1, 1835;
Singer 1835.

Fire College, Ontario

Haggerty 1829; Kendall 1825, 1829, 1840.

Fire equipment/vehicles

Bernier 2367-70; Haggerty 2368-9; Irvine
3478; Kendall 1836; Lane 2370; Singer
1836; Wildman 2365-9.

Fire hazards

Breaugh 1391; Handleman 1391-2; Moffatt
669; Rice 1391-2.

Fire prevention/protection

Bateman 1835-6; Breaugh 1824-7;
M. Campbell 1827-9, 1838; Haggerty
1829-35; Kendall 1823-33, 1835-8, 1843;
MacBeth 1838-9; B. Newman 1843;
Ruston 1822-4; Sandeman 1837; Singer
1835-7.

Firearms/control

Breaugh 1911-4; Cotnam 1849; Erskine
1911-4; Germa 1917-8; MacBeth 1651,
1912-4, 1918-9, 3138; Russell 1651;
Sandeman 1849-50; Singer 1644, 3134-5.

Firefighters/firefighting

Bernier 2367-70; Breaugh 1825, 1840-2;
M. Campbell 1827-8, 1838; Cleaveley
2326-34; Foulds 2326-30; Haggerty 1829-
30, 1839; Kendall 1825, 1827-8; Lane
2333-4; MacBeth 1839; Wildman 2365-9;
Williams 2330-3.

Fires, incendiary

Breaugh 1826; M. Campbell 1828-9;
Kendall 1824, 1826-9, 1937-8, 1843;

B. Newman 1842-3; Ruston 1823;
Sandeman 1837-8.

Fish hatcheries

Bernier 2597; Reid 2597.

Fish/management

Bernier 2185-6, 2572-3, 2575-6, 2583-91,
2598; Godfrey 1104; Lane 2583-4; Loftus
2584, 2587, 2589; Mancini 2579-83; Reed
2589, 3285; R. S. Smith 2671-3; Timbrell
3285; Wildman 2598.

Fishing, commercial

Bernier 2260, 2581-2, 2599-602; Haggerty
2600-2; Herridge 2596-7, 2600; Loftus
2598-601; Makarchuk 3549-51; McClellan
2260; G. I. Miller 2585-8, 3427-8; Reid
2596-7; S. Smith 2205; Wildman
2599-600.

Fishing/hunting camps/operators

Bernier 2433-4; G. I. Miller 2433-4.

Fishing, sport

Bernier 2589; Irizawa 2325; Loftus 2589;
Reed 2325, 2588-9; R. S. Smith 2571-3.

Flooding/control

Bernier 2187-8, 2317-21, 2471-80; Ferrier
2319; Forster 1030; Gaunt 2479; Giles
2487; Godfrey 1029-30, 2473-7; Haggerty
2317-9; Makarchuk 2320-1, 2471-2,
2474-5; G. I. Miller 2487-8; Panting 2314,
2316-7; Peacock 2319-20, 2324-5; Reed
2318-9; Rhodes 1029; Ruston 2480-1;
M. S. Smith 2322-4; Wildman 2316;
Williams 2323-4; Yakabuski 2477-8.

Food Council, Ontario

W. Newman 2040; Riddell 2040.

Food prices

Handleman 721-8; Hodgson 2032-3;
MacDonald 721-8, 1784-90, 1802, 2032;
W. Newman 1801, 2032, 2039; Riddell
1795; Wildman 2039.

Food surplus/shortage

MacDonald 1789-90; W. Newman 1802-3.

Foreign aid

MacDonald 1788-90; W. Newman 1802-3.

Forensic centre

Breaugh 1640, 1755-6; Lawlor 1819-21
(Chairman); Lucas 1755-61, 1819-22;
MacBeth 1634, 1655, 1664, 1758, 1820;
Roy 1757-61; Russell 1655; Sandeman
1756-7, 1821-2; Singer 1645, 1821;
J. R. Smith 586; Stong 585;
G. R. Thompson 589.

Forest fires

Bernier 2185; Cleaveley 2326-34; Foulds
2326-30; Lane 2333-4; Wildman 2334;
Williams 2330-3.

Forest industries/products

Bernier 2242, 2260-1, 2677, 2735; Bird
2530-1, 2534; Herridge 2735-7; Lane
2737-8; Lockwood 2670, 2672-6, 2739-40;
McClellan 2261; Reid 2670-1, 2677;
Stokes 2730-2; Wildman 2260, 2739-40.

Forest rangers, junior

Bernier 2188-9, 2292-3; Bryden 2293-4;
Bullbrook 2302-3; Lane 2294-5; Spry
2292-4; Williams 2291-3.

Forest regeneration/reforestation

Bernier 2241, 2243-4, 2259, 2674-5;
Haggerty 2258, 2723-4; Herridge 2727;
Lane 2737-8; S. Lewis 2680-1; Lockwood
2673-4, 2724-6, 2739-40; Reid 2668-74,
2724-6, 2736; Stokes 2191-201, 2728-30.

Forest resources/management

Angus 3345; Bernier 2183-5, 2239-49,
2258-61, 2672-7, 2682, 2724, 2732-5,
2742-4; Bird 2527-34; Haggerty 2256-9,
2723-4; S. Lewis 2678-84; Lockwood
2673-6, 2723-6; Reed 2533-4; Reid
2669-77, 2724-6; Riddell 2741-2;
R. S. Smith 2253-4, 2527-9, 2532-3;
S. Smith 2202-4; Stokes 2190-201, 2250-3,
2530-2, 2573-5, 2671, 2727-34;
Wildman 2739-40.

Foresters/forests division personnel

Bird 2527-8; Reynolds 2532; R. S. Smith
2527; Stokes 2532.

Forestry camps/schools, correctional

G. H. Carter 277; Garraway 277-8;
McCague 424; Moffatt 277; Samler 277;
J. R. Smith 277, 424.

Franchising

Handleman 970, 1049-50; Renwick 970.

Fraud

Handleman 948, 951-2; Mitchell 948,
951-2; Reed 948.

Freight/trucking rates

Clifford 1547; Reid 1547; Snow 1718;
Timbrell 3303-4; Wildman 1372, 1695-6,
1717-9, 3303-4; Williams 1372.

Fringe benefits

Angus 1189-91; Davison 1191; Scrivener
1189-92; Strauss 1192.

SUBJECTS—*Continued*

Fund raising /organizations

Breaugh 951-2; Gregory 1050; Handleman 951-2, 1050; Lawlor 2698-701 (Chairman); McMurtry 2698-701; Mitchell 951-2; Moffatt 1050-1.

Gambling

Drea 1181; B. Newman 1176.

Gas, methane

Gaunt 3530; Godfrey 3663-4; Higgin 3202; Kerr 3530; Mancini 3202; McTavish 3664; W. Williamson 3664.

Gas, natural

Button 3313-4; Clendining 3275; Haggerty 2648, 2658-9; MacLean 3276; Makarchuk 3275; G. I. Miller 3274-5; I. H. Rowe 3173-4; Ruston 3173-5; Timbrell 3275-7.

Gas, natural, rates

Bryden 3164-6, 3171-2; Jackson 3171-2; Timbrell 3165-6, 3171-2.

Gas wells

Bernier 2379; Jewett 2379; Makarchuk 2379; McGinn 2379; Reynolds 2379; Williams 2379.

Gasoline dealers/association, retail

Gaunt 3259-64; Lane 3283-4; B. Newman 3325-6; Timbrell 3259-64, 3284, 3325-6.

Gasoline, no-lead

B. Newman 3326; Pinnington 3326.

General Motors Corp.

C. Bennett 3413; Godfrey 2948, 3413; Stephenson 2948-50; Williams 2948-9.

GO transit service

Bryden 1607, 1610; Haggerty 1610-4; W. T. Howard 1598-612; Philip 1598-602; Ruston 1602-3; Sargent 1615-6; Snow 1364, 1467, 1599-617, 1690-1; Williams 1604-7.

Gold mining assistance

Bain 2660-3; Bernier 2660-3.

Golf courses/fees

C. Bennett 3365; Eakins 3349.

Government protective services

Breaugh 2170-1; Gartner 2080, 2170-1; MacBeth 2080, 2171; Sandeman 2080.

Government Services personnel

Cunningham 548; Scrivener 548.

Government spending

M. Campbell 2109; Edwards 2109; MacBeth 2109; Singer 2109.

Gowganda

Bain 2273; Bernier 2273.

Grants, agricultural groups

R. G. Bennett 1857; MacDonald 1857-8; W. Newman 1857-8.

Grants, conservation/authorities

Bernier 2321; Makarchuk 2321.

Grants, emergency planning

Breaugh 1749-52; MacBeth 1749-50.

Grants, highway/road

Snow 1743.

Grants, home buyers

Bryden 4, 16-7; Crosbie 249-50; Evans 8; Germa 8-11; Hall 4-5, 13-4, 18-9, 248-50; J. Johnson 15-6; Kerrio 8, 17-8; Lane 14-5; McCague 19; Rhodes 3, 5-6, 8-9, 14-9, 248-50; Yurchuk 16-7.

Grants, horse breeders

Bryden 1175; Handleman 1175; McDonnell 1176-8; Moffatt 1177; B. Newman 1176.

Grants-in-lieu

Snow 1376-7; Williams 1376-7.

Grants, Northern Ontario

Timbrell 3303-4; Wildman 3303-4.

Grants, police

Breaugh 3062-3; Haggerty 1983; MacBeth 1983, 3062-3.

Grants, recreational services

Bryden 1082-3.

Grants, research

Bounsall 2809; R. M. Dillon 3472; Webster 2809.

Grants, water/sewage facilities

Cockburn 3652-3; Kerr 3651-2; Makarchuk 3651-3.

Great Lakes cleanup

Godfrey 3500; Kerr 3497, 3598-9; Lane 3598-9.

Greenbelts

Farrow 698; Rhodes 699-701; Wronski 701.

Greenhouses/florists

Mancini 3200-2; I. H. Rowe 3150, 3201-2; Timbrell 3200-1.

Guardian, official

M. Campbell 2550-1, 2553, 2691-5; Hilton 2695-7; Lawlor 2696-7 (Chairman); McMurtry 2551, 2553, 2691-5.

Halfway houses

J. R. Smith 608-9; Warner 608-9.

Handicapped/disabled persons

Bryden 891-2; Kerrio 3050-1; McClellan 28-9; Meen 28-9; Stephenson 3051; Weinstein 890.

Handicapped, facilities for

Handleman 1172-3; B. Newman 1172-3; Philip 1352-3; Snow 1360.

Hansard/reporting service

Brannan 104; Breithaupt 387, 389; M. Campbell 389; Deans 386-7, 389, 3747-8; Drea 386-7; Martel 104.

Hate propaganda

Lawlor 2622-4; McMurtry 2621-2; Renwick 2622-3.

Hazardous products

Bateman 1833-4, 1837; Haggerty 1833-4; Kendall 1833; MacBeth 1834-5; Sandeman 1837.

Health care/services

Brunelle 770-2; R. S. Smith 770-2.

Health hazards

Bain 90-1, 3538-40; Cunningham 3592-3, 3639-40; Fitch 3592-3, 3604-5; Haggerty 3593; Kerr 3538-40, 3593; Makarchuk 95; Muller 3640.

Health, occupational

Bain 2663-6; Bernier 2643-4, 2653; Bounsall 2759; Bryden 637; Davison 1213-4, 3010-2; Germa 2836; Haggerty 2650-1, 2814-5; Laughren 2636-8, 2640, 2953-65; Lupusella 3016-7; Mackenzie 2840; O'Hara 1213-4; Scrivener 1213; Stephenson 2814-5, 2837-8, 2842, 2955, 2961-6; Strauss 1214; Wildman 3012-4.

Heat pumps

Burr 3084-5, 3093; Gigantes 3093; Reed 3092; H. Wright 3092-3.

Heavy water process

Frame 3187-8; Gaunt 3187-8, 3253, 3255-6; Gigantes 3254; Reed 3254; Sargent 3188; Timbrell 3187-9; Williams 3256-7; Woodhead 3253-7.

Highway 400 extension

Duksza 1621-3; Gilbert 1619, 1621-4; Givens 1676; J. Johnson 1676; G. H.

Johnston 1621; Lane 1676; McClellan 1623; Philip 1673-4; Ruston 1620-1; Snow 1618-23, 1673-7; Wildman 1673, 1675-6; Williams 1625-6, 1674-5; Yakabuski 1676-7; Ziemba 1618-20.

Highway passing lanes

Allen 106; Gilbert 105-6; J. Johnson 1740-1; Martel 105-6; Snow 105-6, 1740.

Highway rest areas

C. Bennett 3443-4; R. S. Smith 3443.

Highway/road maintenance

Gilbert 36-7; Mancini 1734; Moffatt 45-6; Snow 36, 45-7, 1734; Wildman 36.

Highway/road planning

M. Campbell 910; Gilbert 46; Haggerty 42-4; Harvey 1732-3; Henderson 910; Lane 1735-6; Mancini 1732-3; Moffatt 46; Snow 37-40, 42-4, 47-8, 1732, 1736; Wildman 37-40.

Highway shoulders

Gilbert 107-8; Martel 106-8; Snow 107-8.

Highway, Trans-Canada

Snow 1362.

Highways/roads

Forster 1034; Godfrey 1034; Rhodes 1034; Snow 32-51, 1741-2; Williams 1741-2.

Highways/roads, northern

Gilbert 36; Martel 105-9; Reid 47; Snow 47-8; Wildman 36.

HOME programme

Cassidy 232, 242-4, 1117-20, 1143, 1289-92; Hall 1295-6; Lane 446; McDonald 1295-6; Philip 415-6; Rhodes 242-3, 446, 1118-20, 1289; Riggs 1143; Singer 1159; Strachan 1120.

Home repair service

Handleman 1046-7; Moffatt 1046-7; Weinstein 1047.

Home warranties

Handleman 939, 944-6, 948; Moffatt 939, 941-2.

Horse breeding

Drea 1182-3; Handleman 1183; Moffatt 1183; Reed 1182-3.

Horseracing/racetracks

Bryden 1174-5, 1183-4; Drea 1181-2; Handleman 1178-9; Lawlor 1184

SUBJECTS—*Continued*

(Chairman); B. Newman 1182-3; Singer 1178-9; Spence 1986-7; J. K. Young 1181-2.

Horticultural services, government

M. Campbell 982-5; Davison 558, 569-71, 984-5; Drea 983-5; Scrivener 570-1, 983-5.

Hospitals, psychiatric/mental

E. E. Adams 2130-1.

Hospitality fund

Borosa 1205-9; Bryden 1207-8; Cunningham 525; Davison 1204-7; Drea 1206-7, 1210-2; B. Newman 1209-10; Ruston 516-7, 1207; Scrivener 1204-10.

Hotels/motels

C. Bennett 3447; McKessock 3447.

Hours of work

G. W. Adams 3034; Armstrong 3031-2; Bounsall 2762, 3025-7; Haggerty 3029-30; Mancini 2885; McClellan 3033; B. Newman 3034-5; D. Radford 3030; J. Scott 3030-1; Stephenson 3026-7.

Housing

Bryden 3-4, 16-7, 19; M. Campbell 457-66; Cassidy 191-202, 231-45; Hall 4-4, 9, 12-4, 18-9, 245-51; Kerrio 470-2; Laughren 465-70; Makarchuk 473-6; Rhodes 1-19, 183-91, 251-4.

Housing Action programme

Cassidy 689-93, 1116-20; Gigantes 837-9, 1128-9; Hall 248, 253, 1123; Rhodes 248, 689-93, 837-8, 1118-29; Strachan 1128-9.

Housing approvals

Cunningham 447-50; Hall 5; Rhodes 5, 447-50.

Housing authorities

M. Campbell 820; Cassidy 1148-52, 1249, 1252, 1279-82; Rhodes 1131, 1148-52, 1221, 1249, 1279-81; Riggs 1279, 1282.

Housing, community sponsored

Riggs 1143.

Housing, condominium

Breaugh 1337-42; Cassidy 1011-2; Godfrey 1018; Gregory 1342; Handleman 1340-1; Priddle 1341; Rhodes 1011-2, 1018; Roy 1341; Williams 1017.

Housing, co-operative

Cassidy 238-9; Gregory 7; Rhodes 7; Yurchuk 7.

Housing Corporation directors

Hall 1231-2; Rhodes 1231-2; Riggs 1232.

Housing Corporation, Ontario

M. Campbell 1232-8; Cassidy 196-7, 232-7, 819-21, 1135-6, 1141-58, 1280-3; Hall 1283-4; Kerrio 1161-2; Rhodes 819, 1130-5, 1220-55, 1280-93; Riddell 1288-9; Riggs 820-1, 1279; Rose 1285, 1289; Shore 1293; Singer 1158-61, 1292-3; Warner 1285-8; Williams 1238-48.

Housing, farm/mine labour

R. G. Bennett 1862; MacDonald 1861; G. I. Miller 1862; W. Newman 1861-2; Riddell 1861; Spence 1861-2.

Housing, government rental

Scrivener 932; Wildman 932.

Housing/land prices

Cassidy 200-1, 232, 240-4, 400-3, 655-5; Deans 255; Germa 9-12; Haggerty 1007-9; Hall 247-8, 252; Kerrio 7-8; Makarchuk 243, 473-4, 476; W. Newman 1999; Rhodes 6-11, 185-90, 400-3, 474-6, 655-6; Ruston 1999; Sandeman 946-7; Sargent 1616; Snow 1616; Yurchuk 10.

Housing, low-cost

Cassidy 400-3; Hall 1299; Kerrio 471-2; Rhodes 188-9, 400-3, 408, 1299.

Housing, luxury

Cunningham 447, 449.

Housing Ministry personnel

M. Campbell 406-7; Cassidy 686-7; Crosbie 406-9; Hall 412; Rhodes 406-7, 411-2; Snell 686-7.

Housing needs surveys

Burkus 652, 657-8; Cassidy 651-3; Hall 1226-7; Rhodes 652-3, 1226-7, 1251.

Housing, OHC

M. Campbell 1235; Deans 255-6; Rhodes 1285-8; Rose 1242, 1285, 1288-9; Singer 1288; Warner 1285-8; Williams 1242.

Housing, older/renovated

Handleman 1172.

Housing, public

Cassidy 237-8, 1144-6, 1151-8; Rhodes 1131-2.

Housing renewal programmes

J. F. Brown 1021-2, 1024-5; Cassidy 1021-2; Hall 1022-3; J. Johnston 413; Kerrio 1025; Makarchuk 843, 1023-5; Rhodes 413, 843, 1021-5.

Housing, rental

Burkus 452-3; Cassidy 234-6, 1021-2, 1142-58, 1230-1, 1251-4; Crosbie 1222-3;

Hall 14, 452-4, 1222-31, 1296-300, 1304-5; McDonald 658, 1296-302; Rhodes 14, 446-7, 452-4, 462-5, 658, 1021-2, 1025, 1142-52, 1297-9; Riggs 1230-1, 1253-4; Robbins 1441; Shore 1296, 1300-1; Sweeney 658.

Housing, resource community

Burkus 649-50; Cassidy 649-50.

Housing, senior citizens

Cassidy 1153, 1251-2; Rhodes 1141, 1153, 1221; Riggs 1143.

Housing shortage

M. Campbell 457-60, 464; Hall 454; Rhodes 454, 464.

Housing starts

Cassidy 400; Hall 409-10; Makarchuk 842; Rhodes 400, 409, 842.

Housing, substandard

Ciemiega 898; Deans 260; Drea 901; Handleman 898-90; Kennedy 899-902; Lawlor 901-2 (Chairman); Martel 960-1; Moffatt 898-90, 940-5, 1167; Sandeman 946.

Human rights code/commission

Bounsall 2760, 3047-50; G. A. Brown 3042, 3046-7, 3049; di Santo 3036-7; Grande 3040-3; Kerrio 3050-1; Lupusella 3038-40; B. Newman 3038, 3043-6; Scrivener 981; Stephenson 2752, 3038-51.

Humane societies

Gregory 1753-4; Kennedy 1752-3; MacBeth 1752-4; B. Newman 1753; F. L. Wilson 1752-3.

Hunting/trapping

Bernier 2577-8, 2595-6; Haggerty 2596; Lane 2254-5.

Hydro costs

J. Johnson 3311-2; Timbrell 3311-2.

Hydro exports/imports

J. Johnson 3311; B. Newman 3324-5; Timbrell 3311, 3324-5.

Hydro generating stations

Burr 3107-8; Finlay 3291-2; Frame 3108, 3197-8, 3277; A. C. Johnson 3191-2; Mancini 3197-200; G. I. Miller 3277-8; B. Newman 3233-5; Panting 2304-5, 2314; Reed 3291; Ruston 3233; Sargent 3231; Stokes 2304-5; Timbrell 3107-8, 3191-2, 3197-200, 3233-5, 3277-8, 3305-6; Wildman 3305-6.

Hydro information services

Gigantes 3151; Reed 3151-2; I. H. Rowe 3151-2; West 3151.

Hydro, Ontario

Sargent 3229-32.

Hydro power/lines

Frame 3306; Lane 3279-81; Timbrell 3279-81, 3307; Wildman 3306-7.

Hydro rates

Burr 3102-3, 3106-7; Frame 3308-10; Haggerty 3468, 3476; Irvine 3476; Jackson 3308; Peterson 3104-6; Reed 3103-4; Shore 3257; Timbrell 3101-7, 3257-8; Wildman 3307-10.

Hydro, rural

Stokes 3195; Timbrell 3195.

Hydro shortage/surplus

J. Johnson 3311-2; Timbrell 3311-2.

Identification, personal property

Gartner 2169; Kennedy 2169-70; MacBeth 2169.

Immigrants

Rhodes 411; J. R. Smith 586; Stong 584, 587.

Imports, food

R. G. Bennett 2037; Eaton 2037; MacDonald 2005-6; W. Newman 2004-6, 2037; Riddell 2005; Ruston 2005-6.

Imports, produce

Moffatt 70; W. Newman 70.

Impost fees

Cassidy 1014; Godfrey 1018; Hall 255, 1014-5; Kerrio 1014; Makarchuk 1015; Rhodes 255, 1014, 1017-8; Williams 1017.

Incentives, farmers

McKessock 75-6, 1808; Moffatt 69-70; W. Newman 64-70, 75-6, 1806, 1808.

Incentives, industries

Angus 3346-7, 3371; C. Bennett 3406, 3409; Godfrey 2947, 3413-4; Stephenson 2947.

Incentives, pollution abatement

Kerr 3626.

Incentives, small businesses

C. Bennett 3362, 3364.

Incineration

Kennedy 3605; Kerr 3493, 3513, 3670-2; McKessock 3670-2; Turner 3605; W. Williamson 3666-7, 3676.

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Income groups, low

M. Campbell 1233-4; Cassidy 194-6, 199, 402, 1116-9; Rhodes 188-9, 1118-9, 1233-4; Strachan 1120.

Income groups, middle

Rhodes 187.

Income, guaranteed

MacDonald 59; McClellan 28-30; Meen 27-31; B. Newman 1193-4; Reid 29; Strauss 1193-4; Swart 30-1; F. Young 27-8; Yurchuk 29-30.

Income supplement

McClellan 28-30; Meen 28-31; Reid 29; Swart 30-1; F. Young 28.

Indian associations/organizations

Brunelle 912.

Indian bands/people

Angus 925-6; Bernier 2189, 2241, 2244, 2259-60, 2372, 2676-7; Brunelle 754-5, 912-3, 925-6; M. Campbell 281-3; Cotnam 1893; R. M. Dillon 3471; Herridge 2259; Hutchison 282-3; Lane 913-4; Lawlor 3221-2 (Chairman); S. Lewis 2679-80; McClellan 283, 2257, 2259-61; Reid 2676-7; Sandeman 281, 1893; Scrivener 525-6; Sinclair 3071; J. R. Smith 281-3; S. Smith 2203-6; Wildman 912-3.

Indian commercial enterprises

Bernier 2260; Wildman 2260.

Indian court workers

M. Campbell 2691; McMurtry 2691.

Indian employment/unemployment

Bernier 2282-4, 2738; Drysdale 2738-9; Lane 2738-9; Lockwood 2738; McClellan 2280-3; Wildman 2283-4.

Indian friendship/youth centres

MacBeth 3113-4; Stong 3113-5.

Indian housing

Brunelle 913; Wildman 913.

Indian institutions

MacBeth 3113-4; Sinclair 3113, 3115; Stong 3113-5.

Indian land/claims

Bain 2382-4; Bernier 2382-4; Irvine 3458, 3486; Keenan 2383; R. S. Smith 3486.

Indian lands/reservations

Snow 37-40; Wildman 37-40.

Indian offenders

G. H. Carter 609-10; McMurtry 2690; Samler 609; Sandeman 506, 2690; J. R. Smith 609; Warner 609.

Indian police/policing

Breaugh 2164-6; Erskine 2161; Gartner 2160-2, 2164-5; S. Lewis 2162-6; MacBeth 1632, 2160, 2162-6; MacGarva 2163-4, 2166; Sandeman 2160-2.

Indian teachers/students

Bernier 2188-9; Mackey 421-2; J. R. Smith 422; Stong 421-2.

Indian treaties

Reid 2431; Reynolds 2431; Snow 38, 40; Wildman 38.

Indian women

Bryden 2941; Clarke 2941; Stephenson 2941.

Indian workers

Bernier 2260-1; Haggerty 2260-1; McClellan 2261.

Industrial democracy

Armstrong 2812, 2879; Bounsall 2875-6; di Santo 2811-3; Stephenson 2812-3.

Industries, Canadian owned/ controlled

Angus 3370-1, 3374-5; C. Bennett 3370-1, 3373.

Industries, foreign/control

Angus 3340-2, 3373; C. Bennett 3335, 3359, 3370, 3373-4; Handleman 860-1; Moffatt 860-1; M. A. Thompson 860-1.

Industries Overseas Service

Hilton 2702-3; Lawlor 2703 (Chairman); Sandeman 2702-3.

Industries, relocation of

C. Bennett 3382-3, 3407; Godfrey 2948, 3412-4; B. Newman 3381-2; Sandeman 2943, 3404-5, 3407; Stephenson 2945, 2948; Williams 2948-9.

Industries, secondary

Bain 2540; C. Bennett 3367-8.

Industries, service

Angus 3400-1; Garland 3400-1, 3410; Godfrey 3412; Williams 3395; York 3395.

Industries, shutdown

Armstrong 2945; C. Bennett 3431-2; Godfrey 2947-8; Hushion 2947-8;

J. Johnson 3431; Reed 2839-40; Sandeman 2944; Shore 2945, 2952-3; Stephenson 2839-40, 2944-5.

Inflation programme, provincial

Mackenzie 2842-3; Reed 2844; Shore 2844; Skolnik 2843-5; Stephenson 2842.

Information services, court

Callaghan 2615-6; M. Campbell 2615-6.

Information services, government

Breaugh 438-40, 3072-3; Cassidy 679-81, 685; Davison 990; di Santo 2991-2; Gregory 432-3; Hushion 2992-3; Makarchuk 685; Reed 3148-9; Rhodes 685-6; I. H. Rowe 3147-50; Sandeman 435-8; Sinclair 3072; J. R. Smith 433-4, 436, 439-40; Snell 679-81, 686-7; Strauss 990; Tracker 3156; Thatcher 990; Trelford 2991-2; Williams 687.

Inquiries, public/judicial

Greenwood 2709, 2711; Gregory 2167-9, 2708-13; MacBeth 2167-9; McMurtry 2709-10; Nixon 2712-4; Welch 2169.

Inspection, building

Deans 260-1; Evans 8; Handleman 942-5, 961, 1170-1; Kennedy 943; Martel 961; Moffatt 941-5; Reed 1170-1; Rhodes 8; Weinstein 945; Yoneyama 1170-1; Yurchuk 8.

Inspection, fire

Bateman 1836; Breaugh 1824-5; Haggerty 1830; Kendall 1824-5; MacBeth 1838; Singer 1836.

Inspection, health

Bounsall 3028-9; Cleverdon 3009-10; Davison 3009-10; J. Scott 3028; Stephenson 3028.

Inspection, livestock

W. Newman 2042; Riddell 2042.

Inspection, LLBO

Breaugh 1393-4; Cooper 1387; Handleman 1387-90, 1394-5; Moffatt 1385-7; Rice 1387, 1390.

Inspection, mining

Bernier 2289-90; Jewett 2290; Wildman 2289-90.

Inspection, safety

Bounsall 3028-9; Cleverdon 2999-3002, 3009-10, 3018; Davison 3009-10; Laughren 3000; Lupusella 3018; Mancini 2998-3002; J. Scott 3028; Stephenson 2998-9, 3028.

Institution of Housing Management

Cassidy 1146, 1149; Rhodes 1130-1, 1220.

Insulation

Hall 457; Riggs 457.

Insurance, accident/sickness

Lupusella 3005-6.

Insurance adjusters/claims

Breaugh 809-10; Handleman 813; B. Newman 813; M. A. Thompson 810.

Insurance agents

Handleman 812-3; B. Newman 812-3; M. A. Thompson 813.

Insurance companies

Breaugh 809-10; Handleman 801-2; Stokes 800-1; M. A. Thompson 795, 800-1, 810, 813.

Insurance, creditors

Handleman 667.

Insurance, crop

Angus 1931, 1949; Barnes 1877-8; R. G. Bennett 1879, 1931; MacDonald 1879; G. I. Miller 1877-9; W. Newman 1877-9, 1931, 1949; Riddell 1877-8; Spence 1877; Wildman 1949.

Insurance, fire

Bryden 1201-2; Davison 1202-3; Drea 1203-4; Handleman 858; Moffatt 857; Strauss 1201-2; M. A. Thompson 857-8; Vamplew 1201-4.

Insurance, moped

Handleman 799; Moffatt 796, 799; M. A. Thompson 799.

Insurance, motor vehicle

Breaugh 806-11; Bryden 1061, 1201-2; Davison 1202-3; Dawson 799, 805-6; Drea 1203-4; Gilchrist 864-5; Handleman 796, 801-2, 805, 808, 812-3, 861-4, 866-8, 1061; Mackenzie 805-6; Moffatt 670, 795-9, 864-5; B. Newman 812-3, 865-7; Reed 672, 801-2, 861-3; Reid 1469; Renwick 796; Singer 1061; Snow 1469; Stokes 799-800; Strauss 1201-2; M. A. Thompson 797-8, 800-1, 805, 808-10, 813; L. Wood 797-8, 803-4; Vamplew 1201-4.

Insurance, public liability

Bryden 1201-2; Davison 1202-3; Drea 1203-4; Strauss 1201-2; Swart 1203; Vamplew 1201-4.

Insurance rates/premiums

Breaugh 806-7; Handleman 796-7, 801-2, 805, 808, 812; Mackenzie 805; Moffatt 796-9; Reed 801-2; Sweeney 803-4;

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M. A. Thompson 798, 800-1, 805, 808-10;
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Integration, agricultural/industrial

MacDonald 1784-5, 2029-31; W. Newman
1802, 2031, 2040; Riddell 2040.

Interest/rates

C. Bennett 3384-6; Bullbrook 186; Haggerty
3384-6; Hall 451, 1294, 1300; Lantz 1925;
McDonald 451, 1294, 1299-300;
McKessock 1925; W. Newman 1925;
Rhodes 186, 451.

International Joint Commission

Biggs 3599; Kerr 3599; Williams 3599.

International Nickel Co.

Laughren 2634-5.

Investment, Canadian

C. Bennett 3357, 3363, 3375-6.

Investment, foreign

Angus 3338-42, 3373; C. Bennett 3355-9,
3367, 3374, 3392-3, 3401-2; Eakins
3349-50; Kerrio 3401-2; Williams 3392-3.

Investment missions, government

Angus 3337-9; C. Bennett 3336, 3366,
3370.

Judges

Lawlor 2850-2, 2856-8; McMurtry 2354,
2359, 2851-2, 2856-8; Moffatt 2359; Roy
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Judges, juvenile/family court

M. Campbell 278-81, 2558, 2694-5;
Lawlor 2557; McMurtry 2557, 2694-5;
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Judges, provincial/county/district

Bell 2072; Callaghan 2854; Lawlor
1659-60 (Chairman), 2853-4; MacBeth
1656-70, 2072-3; McMurtry 2218-9,
2853-4, 2856-8, 2928; Roy 2072, 2218-9,
2928; Russell 2072; Singer 1642, 1657-9;
B. Wright 2857, 2928.

Judges, supreme/high court

Callaghan 2559, 2854; Lawlor 2853-4,
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Sargent 2609-10.

Jury fees

M. Campbell 2931; Cotnam 1845;
MacBeth 1845; McMurtry 2353, 2931;
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Jury, grand

Breaugh 425-6; G. H. Carter 426;
Maloney 2116-7; Moffatt 2116-7.

Justice, administration of

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2857-61; A. G. Campbell 2405-7;
M. Campbell 3211-5; Kennedy 2863-4;
Lawlor 2212-5, 2409-13, 2780,
2857-9, 3219 (Chairman);
MacBeth 3059-78, 3123-6, 3212-25;
McMurtry 2221-6, 2405, 2781-2, 2863-4;
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3122-33; Sargent 3215-25; Sinclair 3123,
3126-30, 3132-3; Singer 3133-40;
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Justice secretariat/personnel

M. Campbell 3140; MacBeth 1701,
3136-8; Sinclair 3071-2; Singer 1701-2,
3133-40.

Justices of the peace

Callaghan 2787, 2912, 2920; M. Campbell
2925-6; Lawlor 2787, 2904-7 (Chairman),
2910-5, 2918-22; McMurtry 2907, 2910-2,
2923-4, 2926, 2930; Roy 2908-9, 2923-6;
Singer 2929-30; B. Wright 2907-9, 2916-8,
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Krauss-Maffei

Cunningham 1687-91; K. Foley 1681;
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Laboratories/services

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Labour-management relations

Bounsall 2753-62; Bullbrook 2762-8;
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Bernier 2462-3, 2466-7, 2471-7; Bryden
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Land acquisition, Government Services

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638-40; Thatcher 640.

Land acquisition, highways

Gilbert 1727-8; Grande 1742-3; Mancini
1728; Snow 1726-8, 1742-3; Wildman
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Land acquisition, Natural Resources

Bernier 2534-5, 2537-6; Foster 2535-6;
Lane 2536-7; McKessock 2534-6; Spence
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Land acquisition, OHC

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Land assembly/banks

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Land Corporation, Ontario

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Land developers

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Land holdings

Cassidy 1291; Rhodes 1291; Riggs 1291.

Land, recreational

Angus 3695; C. Bennett 3696-7; Bernier
2388-9, 2424; Bros 3695; Eakins 3696;
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Land registrars/registration

Breaugh 1337-42; Lawlor 1336
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Land, serviced

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Land severances

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1873; W. Newman 1869-70, 1873; Nixon
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Land speculators

Handleman 947; Makarchuk 475; Singer
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Land subdivision

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Land surplus/shortage

Angus 560; Drea 537; Gilbert 1728, 1733;
Mancini 1728, 1733; McCague 538;
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Land use permits

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Land use/planning

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Biggs 3664-5; Godfrey 3659-65; Kerr
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Law foundation

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2562-4; Singer 2504; B. Wright 2504.

Law reform/commission

Handleman 871; Lawlor 871 (Chairman),
2409-13; McMurtry 2411-2; Renwick
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Lawyers

M. Campbell 3222; Hoilett 2151-2; Lawlor
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Leasing/leases

R. G. Bennett 1996; Bernier 2378; Browne 574-5, 629; Bryden 629, 637, 642; Cassidy 628, 634-5; Crown 1998; Davison 627-8; Gray 628-30, 636; Haggerty 2376-9; MacDonald 1996; McGinn 2376-8; McKessock 1996; W. Newman 1996, 1998; Reynolds 2377-9; Riddell 1998; Ruston 635-6; Scrivener 574, 629-30, 635-7, 642; Thatcher 627-9, 635-6.

Legal aid/clinics

Callaghan 2496-7, 2560-1; A. G. Campbell 2402, 2495-6; Kennedy 2553-4; Lawlor 2402, 2437-41, 2498-504, 2554-6, 2560, 2858, 2864; McLoughlin 2500; McMurtry 2442-8, 2452-3, 2494-5, 2498, 2501-15, 2518, 2561-7, 2610, 2858; Renwick 1491, 2451-3, 2505-18; Roy 2444-8, 2561-6; Sandeman 2493-4, 2496-7, 2515-6; Sargent 2610; Singer 2504-5; Stong 2448-52.

Legislature buildings

M. Campbell 987-8; Scrivener 988.

Liability, public

Handleman 872; B. C. Howard 872; Lawlor 872 (Chairman); J. K. Young 872.

Libraries

Hall 455; Rhodes 455.

Libraries, legislative/ministry

Breithaupt 385-6, 391; M. Campbell 385, 2391-2; Deans 384-5, 391-2; Drea 384-5.

Licence plates

R. H. Humphries 1723; J. Johnson 1723; Snow 1723; Wildman 1723.

Licences, drivers

Gilbert 1376; R. H. Humphries 1376; Ruston 1375; Snow 1375-6.

Licences, hunting/fishing

Bernier 2431, 2590; Gaunt 2589-90; D. R. Johnston 2590; Reid 2431.

Licences, mining/exploration

McGinn 2378; Reynolds 2378; Spence 2378; Williams 2378.

Licences/permits, alcoholic beverages

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666, 1386, 1394-6, 1399-402; Moffatt 670, 1386-7; Rice 1395-6, 1399-402.

Liens

Breaugh 953; Handleman 954-5; MacCormac 954; Singer 956.

Lightning rods

Bateman 1843-4; Kendall 1843; Lawlor 1843-4 (Chairman); MacBeth 1844; Singer 1844.

Limestone

R. G. Bennett 1933-4; Lantz 1934; W. Newman 1933-5; Wildman 1933-5.

Liquor/beer/wine

Handleman 665-6, 673; Moffatt 670.

Liquor/beer/wine outlets

Breaugh 1390-2; Cunningham 1395-6; DuGuid 2104; Handleman 1396-7; Lawlor 2104 (Chairman); MacBeth 2104-5; Rice 1396; Singer 2104-5.

Liquor boards

Cunningham 1387-90; Handleman 665-6, 1386; Moffatt 1385-6.

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R. G. Bennett 2044; McDerimid 2042-4; McKessock 2044; W. Newman 2042-4; Riddell 2042-3.

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Loans/grants, farmers

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Loans/grants, flood/erosion control

Bernier 2482, 2488; Giles 2482-3; Mancini 2482-3; G. I. Miller 2488.

Loans/grants, home improvement

Lane 445-6; Rhodes 445-6.

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Loans/grants, Indian groups

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Loans/grants, industries

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Loans/grants, municipalities

C. Bennett 3372; Cockburn 3636; Crosbie 1125; Cunningham 3635; Eakins 3372; Hall 247-8, 253, 1125; Irvine 3485; Kerr 3635-6; Rhodes 184, 190-1, 248, 469; R. S. Smith 3483-4.

Loans/grants, pollution abatement

Bain 91-2; C. Bennett 3705; Cunningham 3638; Kerr 92-5, 3638; Makarchuk 94-6; McKessock 3705.

Loans/grants, small business

C. Bennett 3700-3, 3725; Eakins 3701; J. Johnson 3701; Lane 3700-3; McKessock 3701-2, 3705-6; O'Neil 3725; Riddell 3702.

Loans/grants, sports facilities

C. Bennett 3688-96; Eakins 3697; Fleck 3690; Joyce 3692-3, 3697; Rodgers 3692-3, 3697.

Loans/grants, tourist operators

C. Bennett 3364, 3385, 3698-701; Joyce 3724; Lane 3697-701; O'Neil 3724.

Loansharks

DuGuid 2094, 2099-100; Lawlor 2099-100 (Chairman); MacBeth 2099-100; Russell 2099; Singer 2099-100.

Local option

Handleman 673, 1386; Moffatt 1385-6.

Logging/lumbering

Bernier 2742; Bird 2526-9, 2534; Conway 1953; Crown 1953; Ferrier 2524-6; Laughren 2959, 3011; Lockwood 2673; G. I. Miller 2534; Reid 2673; Riddell 2741-2; R. S. Smith 2527-9; Stokes 2194-9, 2530-2.

Lotteries/bingos

Breaugh 1335; Fisher 1334-5; Handleman 1333-4; Lawlor 1334 (Chairman); Roy 1333-5.

Lottery, Ontario

Handleman 1333-4; Reed 1333.

Management by results system

Scrivener 522-3; Shore 523; Thatcher 523.

Manpower services, provincial

Handleman 736; LeClerc 736; Moffatt 736.

Maps, flood plain

Bernier 2479; Gaunt 2479-80.

Maps, lake survey

Bernier 2576.

Maps, topographical

Bernier 2431; Reid 2431, 2433; Reynolds 2433; Spry 2433.

Marketing boards, commodity

MacDonald 2017-22; W. Newman 2018-21.

Marketing, fruit/vegetable

Eaton 2021; MacDonald 2017-22; G. I. Miller 2041; W. Newman 2018-22, 2041.

Marketing, livestock

MacDonald 2016-7; W. Newman 2016-7.

Marketing, tobacco

Burrell 2022; G. I. Miller 2022, 2041; W. Newman 2041.

Marriages

Handleman 1383; H. F. Humphries 1383; Moffatt 1383.

Martin, Michael

M. Campbell 2778-9; Lawlor 2775-8; McLeod 2775-9; McMurtry 2775-7, 2779; Roy 2778.

Mayors

Gartner 2082-3, 2085-6; MacBeth 2082-6; Roy 2081-6.

Medical records/data

Melvin 220.

Medical transplants

Bounsall 2806-7; Stephenson 2086-7.

Members'/ministers' facilities

Angus 1089-95, 1195-8; Auld 161, 169-70; Bounsall 162; Breithaupt 101-3, 163-5; Bryden 1097-9; M. Campbell 165, 343-5, 519, 987-8, 1090-2, 1095-8; Cassidy 170-3, 348-53; Conway 160-9; Davison 1194; Deans 343-5, 3748; Drea 162-76, 1198-201; Fleming 161, 163, 168-9, 171-4, 3748; Givens 104; Grossman 379-80; Lane 1097; Martel 101-4; McCague 104; Miggiani 103-4; Ruston 517-8; Scrivener 520, 987-8, 1090, 1093-8, 1194-8; Shore 163-4; Snow 167-71; Swart 1198.

Members'/ministers' indemnity/allowance

Breithaupt 338; M. Campbell 342-7; Cassidy 347-8, 354-62; Conway 373-4;

SUBJECTS—*Continued*

Deans 333-42, 388; Drea 333-42; Gregory 370-3; Laughren 369; McCague 387-8; Morrow 369-70; Shore 367-9; Swart 374-6.

Members'/ministers' pensions

Breithaupt 119-20; Bullbrook 120; Deans 120; Evans 119.

Mercury poisoning

Bain 2578-9, 3463-4, 3540-2; Bernier 2578-9; Cotnam 1891-2; R. M. Dillon 3471; Herridge 2596-7; Irvine 3471-3; Kerr 3540-2; MacBeth 2091; Pitura 3620; Reid 2596-7; Sandeman 1891-2, 2091; Stokes 2575; Wildman 3620.

Methanol

Gaunt 3504-5, 3529-31, 3667; Kerr 3530-1; W. Williamson 3530, 3668.

Metric system

Handleman 729-30; Moffatt 728-31;

Milk/dairy processors/products

R. G. Bennett 2025; Conway 1952; McKessock 2025; W. Newman 1952-3, 2025; Wildman 2039.

Milk, industrial

K. A. McEwen 2007; McKessock 2007; W. Newman 2002, 2007.

Milk quotas

R. G. Bennett 2006-8, 2010-4; Hodgson 2013-4; MacDonald 1794, 2003-8, 2010, 2014; K. A. McEwen 2006-7, 2010-1; McKessock 1882, 2001-5, 2007-8, 2013-4; G. I. Miller 2015; W. Newman 1806-7, 1809-10, 1881-2, 2000-15; Riddell 1799, 2000-1, 2004-6, 2012; Ruston 2011-2.

Milk surplus/shortage

MacDonald 1882, 2004, 2008; McKessock 1882-3, 2002, 2004; W. Newman 1882-3, 2002, 2004, 2006; Riddell 2004.

Minaki Lodge

C. Bennett 3364-5.

Mine recording offices

Bain 2255-6, 2265-7, 3462; Bernier 2258, 2263; Reynolds 2265-7.

Mine rescue/competition

Bernier 2654; Sargent 2654.

Minerals/ores

Bain 2659-60; Germa 2276-8; Jewett 2276-8; Laughren 2279-80, 2602-3; Mohide 2278-80; Pye 2655; Reynolds 2278.

Mines, abandoned/shutdown

Bain 3540-1; Kerr 3540-1.

Mines/mining

Bain 2659-60; Bernier 2186-7, 2653, 2660-3; Haggerty 2645-51; Laughren 2602-3, 2633-40; S. Smith 2204-5; Stokes 2253.

Mining claims/rights

Bain 2467; Bernier 2467; R. S. Smith 2467.

Mining companies

Bryden 743-4; Handleman 743-4; Laughren 2629-31.

Mining municipalities

Bernier 2653-4.

Mining stock promotion

Reed 740.

Ministers without portfolio, re

Angus 772-8, 925-7; Bernier 2260; Brunelle 754-5, 770-2, 908-9, 912-3, 918, 925-6; Bryden 621, 781-3; Bullbrook 551-3, 615-7, 619-20, 624-6, 762-7; M. Campbell 908-11, Cunningham 525, 621; Davidson 539-43, 548-52, 618, 621-2, 755-62, 774-5, 914-9; Drea 618-9, 626-7, 916-7, 919-24; Gregory 623-4, 927-9; Henderson 753-70, 773-83, 907-12, 914-6, 926-7, 830; Herridge 2259; R. M. Johnston 778-9; Lane 622-3, 626, 913-4; Makarchuk 622, 625, 767-9; Martel 623-5; McClellan 2257; Norton 907-8; Ruston 551, 618, 623, 626, 779-81, 924-5; Scrivener 525-6, 539-43, 548-54, 615, 618, 624-5; Shore 620-1; Silver 539, 543, 550; Singer 553-5, 616-8, 627; R. S. Smith 769-72; Thatcher 540; Villeneuve 929-30; Wildman 911-3.

Minorities/ethnic groups

G. H. Carter 608-10; di Santo 3036-7; Godfrey 2473; Lupusella 608; Maloney 1484; J. R. Smith 608.

Mirex

Bernier 2246, 2589; Kerr 3511, 3459-51, 3559-60, 3589-90; Makarchuk 3549; G. H. Mills 3549; Reed 2588-9.

Missing persons

Haggerty 1832; MacBeth 1832; F. L. Wilson 1832.

Mopeds

Burr 3186; Sands 1725; Timbrell 3186; Wildman 1725.

Morand commission

Bell 2073; MacBeth 1977-9, 2074; Roy 2073-4; Singer 1977-9.

Mortgage Corporation, Ontario

Hall 1294-300; McDonald 1294-302.

Mortgages/companies

Cox 1045; Hall 12-3, 451; Lawlor 1045 (Chairman); McDonald 451; Rhodes 12-3, 451.

Mortgages, HOME

Hall 1296; McDonald 1296.

Mortgages, OHAP

Hall 1296; McDonald 1296.

Mortgages, subsidized

M. Campbell 464; Cassidy 1116-7, 1119-20; McDonald 1299-300, 1304; Rhodes 464-5, 1120; Strachan 1120.

Motor vehicle accident claims fund

Bryden 867; Gilchrist 864-5, 867-8; Handeman 861-4, 866-8, 1060-1; Moffatt 863-5; Reed 861-3; Singer 1060-1.

Motor vehicle dealers

MacCormac 954.

Motor vehicle exhaust emissions

Shenfeld 3632.

Motor vehicle licence outlets

R. H. Humphries 1721, 1723; Lane 1722; Snow 1721-3; Wildman 1721-3; Williams 1723; Ziembra 1722.

Motor vehicle/parts industry

C. Bennett 3336, 3379-81; Fleck 3380; B. Newman 3379-81; L. Wood 797-8.

Motor vehicle repossession

Breaugh 953-5; Handleman 954-5, 958; Lawlor 958 (Chairman); Renwick 957-8; Rundle 957-8.

Motor vehicles

Handleman 949-51, 953-4; Reed 949-51; Singer 956; Timbrell 3152-3.

Motor vehicles, Ontario government

Angus 1084-5; M. Campbell 1086; McLoughlin 2342; McMurtry 2342; B. Newman 1085-6; Sandeman 2342; Scrivener 1084-6; Thatcher 1085-6; K. Williamson 1084-5.

Motor vehicles, stolen

Erskine 1917; Sandeman 1917.

Motor vehicles, unsafe

R. H. Humphries 1720-1; Snow 1720-1; Spence 1720-1.

Municipal Board, Ontario

Cassidy 688-93; Good 2982-3; Gregory 2986-7; Lawlor 2981, 2985-6; McMurtry 2981-7; Rhodes 688-93; Singer 2981-5.

Municipal government

Lawlor 2140-1; Maloney 2141.

Municipal planning/studies

M. Campbell 825-7; Cassidy 688-96; Farrow 698, 705-9, 1005-7, 1009-10; Forster 1103-4; Godfrey 1103-7; Haggerty 1003-10; Hall 821-2, 1127; Kerrio 470-2; Lane 849-52; Laughren 468-70; Makarchuk 473, 840-8; Rhodes 191, 468-71, 689-709, 821-2, 832, 834-52, 1005, 1008, 1127; Williams 697-704, 827-36; Wronski 690-6, 701, 703-4, 822-7, 832-3.

Municipalities, northern

Bain 3462-5; Irvine 3469-71, 3478, 3481-3; Lane 3477-8; R. S. Smith 3469-70, 3483-8; Wildman 3480-1.

Municipalities, unorganized

Lane 849; Panting 2316-7; Rhodes 468-70, 849; Santo 849-50; Wildman 2316-7.

Museums, agricultural

R. G. Bennett 2056-7; MacDonald 2056; McKessock 2056-7; W. Newman 2056-7; Riddell 2056-7.

Nationalism, economic/cultural

Handleman 745; Roy 744.

Natural resources/management

Bain 2255-6; Bernier 2183-9, 2641-4; Haggerty 2645-51; Lane 2254-5; Laughren 2629-40; S. Smith 2201-6; Stokes 2189-201; Wildman 3480-1.

Natural Resources personnel

Bain 2255, 2265-7; Bernier 2241-2, 2251, 2257-8, 2274-5, 2286-7; Bryden 2290-1; Ferrier 2284-6; Jewett 2285; Lockwood 2251; Makarchuk 2273-4; Reynolds 2265-7, 2271-2, 2286-9; R. S. Smith 2253-4, 2286-8; Spry 2291, 2303; Stokes 2251, 2267, 2289; Wildman 2271.

News media/periodicals

M. Campbell 2690-1; Handleman 877-8; McMurtry 2691; Moffatt 877-8.

Newspaper delivery service

Handleman 874-5; Moffatt 873-5; Weinstein 875.

Niagara escarpment

Haggerty 3467; Irvine 3457, 3474-5, 3489-90; McKessock 3489.

SUBJECTS—*Continued*

Nipissing Central Railway

R. S. Smith 1541; Snow 1541.

Noise levels/control

Breaugh 1390-1; Gaunt 3567; Godfrey 1027, 3625, 3632-3; Handleman 1391; Kerr 3567, 3625, 3632-3; Makarchuk 110; Mancini 3003; Manuel 3633; Philip 1352; Rhodes 460, 1027; Snow 110, 1359-60, 1369; Stephenson 3003, 3014; Wildman 3013-4.

NorOntair

Bain 1560, 1582-4; Clifford 1557, 1564, 1568-9, 1574, 1583-6; Gilbert 1558; McCabe 1558, 1560-2; Reid 1557-8, 1560-7; Snow 1557-67, 1582; Wildman 1557-64, 1574.

Northern Affairs officers/offices

Bain 2299-301; Ferrier 2297; Foulds 2300; Lane 2300-1; Martel 961; Reynolds 2299-300; R. V. Scott 2297-9; R. S. Smith 2295-6; Stokes 2295, 2298.

Notaries, public

Lawlor 2226.

Nurses, public health

Bounsall 2754-6; Bullbrook 2766-7; Mancini 2885; Stephenson 2769, 2886-7.

Nursing homes

M. Campbell 2701-2.

Offenders

Hug 222; Hughes 487-8; Hutchison 488-90, 497-9, 510; Lawlor 493-6; Roy 500-2; Sandeman 209-16, 278, 481-6, 490, 492, 504-9; Singer 491-3; J. R. Smith 207-9, 278, 486-7, 491, 496-7, 500-3, 509-10; G. R. Thompson 501.

Offenders, women

Hug 222; Hutchison 510; Sandeman 506-8.

Offenders, young

Breaugh 224-5; G. H. Carter 273-6, 609-10; Hug 219; Hughes 487, 491; Lupusella 608; MacBeth 3117-8; Mackey 611; Sandeman 271, 485-6, 505; Sinclair 3115-7, 3119; J. R. Smith 208-9, 214-5, 218-9, 271, 487, 592, 603-5, 608-11; Stong 216-9, 429, 605-8, 3115-7; Warner 603-5, 608-11.

Office of Assembly

Deans 3747; R. Lewis 3747-9.

Offshore rights

Bernier 2276-8; Germa 2276-80; Jewett

2276-8; Laughren 2279-80; Mohide 2278-80; Reynolds 2278.

OHIP premiums

Angus 1189; Scrivener 1189.

Oil companies

Makarchuk 3315-8; Timbrell 3315-8.

Oil, fuel

Gaunt 3269-72.

Oil/gas imports/exports

Button 3313-4, 3320; Haggerty 3314; Makarchuk 3316-7; G. I. Miller 3276; Timbrell 3237, 3240, 3316-7, 3320.

Oil/gasoline prices

C. Bennett 3433-4; Eakins 3434-5; Gaunt 3258-64, 3269-72; Gigantes 3156-7, 3159-62, 3241-3, 3248-9; Lane 3280-1, 3283; Makarchuk 3150-1, 3169-70, 3282-3; B. Newman 3325-6; Rowan 3161; Timbrell 2150-1, 3161-2, 3167, 3169-71, 3240-3, 3248-9, 3258-64, 3269-71, 3281-3, 3302-4, 3325-6; Wildman 3302-4, 3433-4.

Oil/gasoline shortage

Burr 3083-4; Timbrell 3089-90.

Oil production

Button 3239, 3312-4; Gigantes 3160, 3236-50; Lamb 3248; MacLean 3276; Makarchuk 3320; G. I. Miller 3276; Timbrell 3160, 3237-50, 3320; Williams 3248.

Oil refineries

Timbrell 3283-4.

Olympic games

Borosa 1208-9; Breaugh 1915-6; Bryden 1208; Erskine 1916; Grice 1915-6; MacBeth 1915-6; Mancini 1213; B. Newman 1208-9, 1916-7; Russell 1915-6; Sandeman 1915, 1917; Scrivener 1208, 1213.

Ombudsman

E. E. Adams 2125-6, 2130-4; Breaugh 1476, 1479; M. Campbell 1475, 1477, 1479, 1499, 1501-3, 1505; Conway 2122-4; Deans 1503-5, 1509-10; Drea 1493-4, 1500-1, 1503, 1512-3; Gaunt 3746; Goodman 2135-6, 2150, 2152-3; Hoilett 2150-2; Kennedy 1477, 1505, 1513-4, 2129, 2131-3, 2155; Lawlor 2136-7, 2139-42, 2149-55; Maloney 1480-7, 1490-3, 2115-24, 2127-30, 2132-4, 2137-44, 2149-55, 3741-6; McKessock 3744-5; Moffatt 1476, 1505-6, 2116-7; Nixon 1477-8; Norton 1479, 1508-9, 1514, 1516; Peterson 1507, 1511, 1515-6, 2151; Reed 1511; Renwick 1481, 1487-93, 1515-6,

2118-20, 2124-6; Ruston 1506-7, 3745-6; Sandeman 1509, 2133-6; Sargent 3744-5; Shore 2126-9; Singer 1499, 1507-8, 1511-2, 1514, 2115-8, 2121-2, 2138, 2140, 2142-4; Stong 1475-6, 1479; Swart 3743-4; Welch 1488-9.

Ombudsman personnel

Bryden 3741-2; Goodman 2152-3; Kennedy 2133; Lawlor 2152-3; Maloney 2128-9, 2133, 2135, 2153-4; J. A. Mills 3742; Sandeman 2135; Shore 2128-9.

Ontario Northland Railway/ Commission

Bain 1522-7; Clifford 1525-50; Gilbert 1529, 1538-9; Irvine 3487-8; R. S. Smith 1525, 1529-36, 3487-8; Snow 1525-50, 1595-7; Wildman 1543-5.

Ontario Place

Angus 3687; C. Bennett 3335-6, 3687-8; Cassidy 3687; Maxwell 3687.

Parking facilities

Bryden 1608-9; W. T. Howard 1608-9; Lawlor 2154; Maloney 2154.

Parks commissions

Bernier 2421-4, 2428, 2431-4; Ferrier 2423-4; Reid 2422-3; Rollins 2421-3; Sloan 2422-7; Williams 2422.

Parks, conservation authority

Bernier 2472, 2487; Makarchuk 2472; G. I. Miller 2487.

Parks, industrial

Angus 3371; C. Bennett 3361-2, 3371, 3383, 3408-9, 3412, 3422, 3427; Eakins 3372; Lane 3426-7; B. Newman 3383; O'Neil 3408-9; Samis 3422.

Parks, national

Bernier 2424; Godfrey 2424; Sloan 2424.

Parks, provincial

C. Bennett 3438; Bernier 2188, 2523-6, 2538-41; Boyer 3439; Eckel 2524-5; Erskine 1988; Ferrier 2523-6; Gartner 1987-8; Haggerty 2529-30; MacBeth 1988; G. I. Miller 2534; B. Newman 1987-8; O'Neil 3438; Reed 2533-4; Reid 2543-4; R. S. Smith 2527-9, 2532-3; Spence 2538; Stokes 2530-2; Vrancart 2538, 2540, 2543.

Parliamentary/legislative assistants

Davison 1373; Drea 737-9; Hall 413; Handleman 737, 739; Moffatt 736-7; Rhodes 413; Roy 737-8; Sandeman 737-9; Snow 1373.

Parole/probation

M. Campbell 279-80; G. H. Carter 275, 280; Sandeman 287-8, 596-601;

J. R. Smith 279-80, 288, 599; Stong 601; D. E. Taylor 599-601; G. R. Thompson 595-6.

Pathologists

Breaugh 1902; Gregory 1905; Hillsdon Smith 1902-6; Kennedy 1904-5; Lawlor 1904-5 (Chairman); Sandeman 1903; Singer 1905.

Peanuts

G. I. Miller 2038; W. Newman 2038.

Pension adjustment programmes

Breithaupt 119; Bryden 21; Bullbrook 120; Ruston 21; Scrivener 21; Silver 21.

Pensioners

Handleman 793-4; Sweeney 793.

Pensions, disability

di Santo 2810; Stephenson 2810.

Pensions/plans

Bain 1524, 1528-9; Bentley 793-4; Clifford 1532-6; Handleman 793-4; Moffatt 793-4; R. S. Smith 1532-9; Snow 1533-9, 1595; Sweeney 792-3.

Pest control/services

Godfrey 3500; Kerr 3497, 3511.

Pesticides/herbicides

Bryden 3522-3.

Pickering North project

Cassidy 681; Forster 1026, 1028, 1030-2, 1034-6, 1103-4; Godfrey 85, 1026-36, 1103-7, 1803, 1872-3; Hall 1109-13; Lawlor 2137; Maloney 1486, 2117-8, 2122, 2137-8, 3742; W. Newman 1803, 1872; Rhodes 1026-36, 1105-13; Singer 2117-8; Snell 681, 683; Williams 1108-10.

Pinball machines

Cunningham 1387-90; Handleman 1389.

Pipelines, oil/gas

Gigantes 3166; Kerrio 3163-4; Spence 3163; Timbrell 3163-4, 3166, 3305; Wildman 3305.

Pipelines, water

Kerr 3597; Mancini 3597; G. I. Miller 1874.

Pits/quarries

Bernier 2652-3; Churchill 2430; Haggerty 1003-6, 2648-9; Reid 2430; Rhodes 1004-5.

Planning/development areas

Cassidy 197-8; Hall 823-4; Wronski 823-8.

SUBJECTS—*Continued*

Planning/development, Leeds-Grenville

Cassidy 1010; Farrow 1010.

Planning, housing

Cassidy 650-1; Rhodes 650-1.

Planning, industrial

Forster 1030-1; Godfrey 1030-1; Rhodes 1031.

Plea bargaining/discussions

Callaghan 2230-1; Erskine 2174; Gartner 2173; Lawlor 2171 (Chairman), 2173-5 (Chairman), 2227, 2229-30, 2441; McMurtry 2229; Renwick 2228-30; Roy 2218; Singer 2173.

Points of privilege

Singer 2211.

Police

Breaugh 1634-6, 3061-6, 3068; Lawlor 3220 (Chairman); MacBeth 3061-6, 3068; Sargent 3218-9.

Police arbitration commission

Edwards 2076; MacBeth 2075-6; Russell 2075-6; Sandeman 2076.

Police, assaulted

Lawlor 2909-10.

Police associations

Breaugh 1638, 1652-3; MacBeth 1652-3; Moffatt 1653.

Police auxiliary

Gartner 2177; Kennedy 2177-8; MacBeth 2177.

Police, bilingual

Erskine 1971-4; Gartner 1971-2; MacBeth 1973-4; Singer 1971-4.

Police brutality/harassment

Callaghan 2786-7; Lawlor 2786-7; MacBeth 1977-9, 2061-2; Singer 1977-9; Spence 2061-2, 2067.

Police cars

Edwards 1702-3, 2108; Erskine 2107-8; MacBeth 2108-9; Singer 1702-3, 2107-9.

Police cars, two-man

Lawlor 2076-7 (Chairman); MacBeth 2077; Roy 2078.

Police chases

Breaugh 1635-6, 1771-2; MacBeth 1646, 1661; Singer 1642-3.

Police colleges

Breaugh 1640; MacBeth 1633, 2069; Mennill 2062-9; Roy 2068-9; Russell 1649; Sandeman 2062-7.

Police commission, Ontario

Bell 2062; Breaugh 1762-5; DuGuid 2098; Graham 1762-5; Lawlor 1660 (Chairman); MacBeth 1660; Roy 2067, 2069-70; Singer 1642, 1658, 2098.

Police commissions, municipal/regional

Bell 2072-3, 2078; Germa 1917-8; Lawlor 1659-60 (Chairman); MacBeth 1656-60, 1918-9, 2072-3; Roy 2072, 2078; Russell 2072; Singer 1642, 1657-9.

Police communications/facilities

Breaugh 1769-70; Graham 1770; MacBeth 1631-2.

Police complaint/bureaus

Bell 2073; Breaugh 1638; MacBeth 1646, 1650, 1976-9, 2074; Roy 2073-4; Singer 1642, 1976-9.

Police community relations committees

McMurtry 2689; Sandeman 2689.

Police conduct

Bell 2078; Breaugh 1638; Gartner 2081; MacBeth 1650-1; Roy 2078, 2081.

Police/court records

Erskine 2175; Gartner 2175-6; Lawlor 2175-6 (Chairman).

Police intelligence

Breaugh 1762-5, 1769; DuGuid 2094-6, 2098; Graham 1762-5, 1769, 2071; Singer 2094, 2098-9.

Police management

MacBeth 1633.

Police, multicultural

Breaugh 1640; MacBeth 1656.

Police, municipal/regional

Breaugh 1636-7, 1648-9, 1652-3, 3061-3, 3068; Erskine 1980, 1983-4; Gartner 1974-5, 1983-4; Haggerty 1980; MacBeth 1647-9, 1654, 1660-1, 1964, 1966, 1975, 1983-7, 3061-3, 3068, 3075, 3121-2; McCague 1983-5; Moffatt 1653-5, 3074-5; Russell 1965-6, 1968-9, 1975-6; Singer 1543-4, 1660, 1964-6, 1974-5; Spence 1986-7; Stong 3121; Villeneuve 1648.

Police political activity

MacBeth 1654-5; Moffatt 1653-5.

Police promotion

MacBeth 1633.

Police, provincial

Breaugh 1906-11, 1915-6; Cassidy 2105-6, 2110-1; DuGuid 2094-6, 2098; Erskine 1907-11, 1962-3, 1966-74, 1980-1, 1983-4, 1988; Gartner 1906, 1914, 1961-4, 1966-7, 1971-2, 1974-5, 1983-4, 1987-9, 2079-83, 2085, 2091-2, 2169-70; Graham 2070; Grice 1915-6; Haggerty 1979-82; Kennedy 2169-70; Kerrio 2074, 2081; MacBeth 1906-7, 1961, 1964, 1966-70, 1973-7, 1983-6, 1989, 2061-2, 2082-5, 2169, 3075; McCague 1983-5; Moffatt 3075; B. Newman 1987-8; Reid 1989; Roy 2070, 2081-5; Russell 1915-6, 1965-6, 1968, 1981-2; Sandeman 1914-5, 1917, 2079-80; Sargent 1975-6, 1985-6; Singer 1961-77, 2098-9; Spence 2061-2.

Police stations

Breaugh 1636-7.

Police training/qualifications

Breaugh 1635, 1637, 1640-1, 1648-50, 1668-9, 1770-3, 1907, 1910; Erskine 1907, 1910, 1962-3, 1969-71; Gartner 1962-4; Graham 1770-3; Hale 1771-3; Kennedy 1649; MacBeth 1632-5, 1645, 1647-50, 1656, 1661, 1668-9, 1772, 1907, 1910, 1969, 1970, 1974, 2069; Mennill 2063-9; Roy 2067-9; Russell 1645, 1649-50, 1668; Sandeman 2062-7; Singer 1664-5, 1649-50, 1962-4, 1969-71, 1974.

Police weapons

Breaugh 1755-6; Gartner 1988; Lucas 1755-6; MacBeth 1756; B. Newman 1988; Sandeman 1756.

Police, women

Mennill 2063; Sandeman 2063.

Police youth bureau

M. Campbell 2096-8; DuGuid 2098.

Policing costs

Breaugh 1636, 3061-2; Erskine 1980-1, 1983-4; Haggerty 1980-3; MacBeth 1646-7, 1656, 1969, 1975, 1981-3, 1987, 3061; Russell 1968-9, 1975, 1981-2; Singer 1969, 1975; Spence 1986-1.

Political contributions

Bounsall 302-6, 317-9; Bryden 321; M. Campbell 316-7; Drea 318-9; Martel 324-5; B. Newman 315-6; Roy 314-5; Samis 321-2; R. S. Smith 319-20; Swart 310-13; Wishart 303, 310-1, 316-9, 324.

Political parties/system

Bounsall 304-7; Bryden 307-8; Drea 308-9; Martel 324-5; Wishart 305-11.

Pollution abatement/equipment

Cockburn 3604; Godfrey 3626; Kerr 3496-7, 3599-600, 3618, 3626, 3639; Lane 3600; Linzon 3596-7; Macfarlane 3591, 3639.

Pollution, air

Bain 93; Godfrey 3631-2; Haggerty 3590; Kennedy 3600-6; Kerr 93, 3585-6, 3595-6; Laughren 2958-60; Linzon 3596; Mancini 3595-6; Mierzynski 93; Muller 3640; Ruston 3585-6; Shenfeld 3631-2.

Pollution, environmental

Crosbie 837; Gigantes 837-8; Rhodes 837-8.

Pollution, Great Lakes system

C. Bennett 3430; Gaunt 87, 3557-8, 3560, 3565-6; Godfrey 3499; Kerr 89-90, 3558-60, 3565-6; G. H. Mills 3565; B. Newman 3429-30; Stadelman 3429-30.

Pollution index/monitoring

Angus 3617-9; Biggs 3552-3; Fitch 3592; Godfrey 3552-3, 3627-32; Haggerty 3587-8; Kerr 3551-5, 3588, 3617-20, 3627-9; Macfarlane 3554-5; Makarchuk 3552-4; Pitura 3617, 3620; Ronan 3552-4, 3628; Sharpe 3587-8; Shenfeld 3621-2; Victor 3627.

Pollution, industrial

Godfrey 3499.

Pollution, land/soil

Bryden 3522.

Pollution, metal/chemical

Biggs 3548, 3550, 3552; Cockburn 3573; Fry 3621; Gaunt 3554; Godfrey 3552-3; Haggerty 3587; Kerr 3548-55, 3570-3, 3588-9, 3617; Macfarlane 3554-5; Makarchuk 3548-55, 3616-7; McClellan 3569-73; G. H. Mills 3549-50; Ronan 3552-4; Wildman 3620-2.

Pollution, water

Barr 3634; Cunningham 3634; Gaunt 3566, 3654-5; Godfrey 85, 3529; Irvine 3471, 3473; Kerr 89, 3529, 3546-51, 3566, 3576, 3634; Lane 3546-8; Laughren 467; McTavish 3662-3; G. H. Mills 3549-50, 3566; Mulvaney 3529; Reed 3575-6; Rhodes 467.

Polychlorinated biphenyls

Caplice 3627; P. Foley 3577-8; Gaunt 3506-9, 3532; Godfrey 3498-9, 3578-9, 3589, 3627-8, 3630-1; Haggerty 3579, 3588-9; Kerr 3508-13, 3577-9, 3588-9, 3631; Reed 3576-8; Ronan 3588-9, 3628.

Population/growth

Hall 1111; Rhodes 1111.

SUBJECTS—*Continued*

Pornography/obscenity

Callaghan 2234; M. Campbell 2102, 2234; Cassidy 2110-1; Drea 1321-2, 1330-3; DuGuird 2102; Gregory 1320; Handleman 1320-1, 1326-30; Lawlor 1322-5, 2231; MacBeth 2101-2; McMurtry 2231-5; Norton 2233-4; Peterson 2232-3; Reed 1329-30; Roy 1326-31; Sims 1330; Singer 2101.

Postal service

Angus 1087-9; Breithaupt 125, 135-6; Bryden 1089; Deans 125; Fleming 125-6; McCague 1088; Morrow 332; B. Newman 125-6, 1088; Scrivener 1087-9; Strauss 1087; K. Williamson 1089.

Prairie grass

Bernier 2483-4; Mancini 2483-4.

Predator control

Bain 1946-7; Gaunt 1880; Lane 1947; Lantz 1947; McKessock 1879-81; G. I. Miller 1946-8; W. Newman 1879-81, 1946-50; Riddell 1880; Wildman 1949.

Pre-sentence reports

Hug 223; Hutchison 223; Sandeman 223; Stong 223-4; D. E. Taylor 224.

Press clipping services

Breithaupt 390-1; M. Campbell 390; Deans 390-1, 3748-9; Fleming 3748; R. Lewis 3749; Swart 3748-9.

Price differential, regional

Lane 3280-1, 3283; MacDonald 725-6; Makarchuk 3282; Snow 1696; Summerley 1717; Timbrell 3281-3; Wildman 1696-7, 1718, 3302; J. K. Young 725-6.

Printers/printing

Angus 1078; M. Campbell 1078-9; Davison 995-9; McCague 999-1000; Metcalfe 995-7, 1079; Scrivener 996-7, 1078; Strauss 998-1000; Thatcher 998.

Prisoners

Stong 594, 587.

Prisoners' wages

J. R. Smith 601-2; Stong 601.

Psychiatrists/services

Goodman 2150; Hoilett 2150; Hutchison 489, 498-9; Lawlor 2149; Maloney 2150; Sandeman 485; J. R. Smith 586-7; Stong 583-5; G. R. Thompson 589.

Public trustee

Callaghan 2702-7; M. Campbell 2701-2; Hilton 2702-3; Lawlor 2697-705 (Chair-

man); McLoughlin 2704-6; McMurtry 2698-701; Sandeman 2702-3.

Public utilities commissions

Cleverdon 3002; Mancini 3001, Stephenson 3001.

Publications, government

Bernier 2280; Higgins 3097; I. H. Rowe 3147, 3150; Sinclair 3070; Timbrell 3106.

Pulp/paper companies

Angus 3617-9; Godfrey 3626-8; Kerr 3617-20, 3626; Pitura 3617, 3620; Ronan 3628; Wildman 3619.

Purchasing, central

Angus 993-5; Scrivener 989-90, 993; Thatcher 990-3.

Purchasing, government

Angus 993-5; M. Campbell 992-3; Davison 988-92; Scrivener 989-94, 996-7, 999; Strauss 988, 994, 998-1000; Thatcher 547, 990-3, 998.

Pyramid sales

Drea 1048-9; Handleman 1047-50; Mitchell 1047-8; Philip 1047-8.

Quakers

M. Campbell 2718, 2778-9; Lawlor 2716-8 (Chairman), 2775-8; McLeod 2775-9; McMurtry 2775-7, 2779; Roy 2778.

Queen's Counsel

McMurtry 2397; Renwick 2397; Roy 2397-8.

Rabies

McDermid 1946; G. I. Miller 1945-6; W. Newman 1945-6.

Radar

Breaugh 2178-9; Gartner 2160; Gregory 2159-60; MacBeth 2150-60; Sandeman 2160; Singer 2160.

Radiation, nuclear

Breaugh 1825-6; M. Campbell 1827; Gaunt 3188-9; A. C. Johnson 3205; Kendall 1825-7; Kerr 3546; Lane 3546; Laughren 2656; MacBeth 1826; B. Newman 1842; Pye 2656; Sargent 3090-2; Timbrell 3188-9.

Radio/television

Ferrier 2297; Lupusella 3038-40; R. V. Scott 2297-8.

Railway crossings

Haggerty 1612-4; Snow 1612-4.

Railway freight service

Bain 1523, 1527; Clifford 1526, 1548;
Gilbert 1547; G. H. Johnston 1548; Reid
1547; Snow 1463, 1525; Spence 1462-3;
Wildman 1466.

Railway passenger service

Gilbert 1461, 1464; Givens 1461; Godfrey
1449-54; Irvine 3488; G. H. Johnston
1467; G. I. Miller 1463-5; Reid 1450-1,
1467-8; Ruston 1373-4; R. S. Smith 3488;
Snow 1361, 1373-4, 1450-5, 1460-4, 1467-
8, 1596; Wildman 1451, 1466-7; Yakabuski
1459-60, 1463.

Railway relocation

Makarchuk 843-5; Rhodes 843-5.

Railways

C. Bennett 3382-3; Cleaveley 2334; Kerrio
3384; B. Newman 3382-3; Philip 1354;
Wildman 2334.

Rape

Callaghan 2795; M. Campbell 2793, 2796;
McLeod 2794-5; McMurtry 2793-6; Roy
2794-5; Sandeman 2794-6.

Real estate brokers/salesmen

Cox 1045-6; Lawlor 1045 (Chairman);
Moffatt 1046; Weinstein 947.

Recidivists

Hug 226; Sandeman 226; 506-9; G. R.
Thompson 226.

Recreation/facilities

Bernier 2462-3, 2470-1; Bryden 2461-2;
Peacock 2468-9; Williams 2468-71.

Red Cross

Lawlor 1753 (Chairman); MacBeth 1753.

Reed Paper Co.

Bernier 2203, 2239-41, 2247-50, 2732-4;
S. Lewis 2246-50, 2678-80; Reid 2669,
2671; Reynolds 2247; S. Smith 2203-4;
Stokes 2190-1, 2197, 2247, 2731-4.

Refineries/smelters

Bernier 2306-7; Riddell 2305-7; Stokes
2306-7.

Refrigeration/air conditioning

Bryden 637; Davison 637-8; Pencak 637-8;
Ruston 636-7; Scrivener 636-7.

Regional development/boards

R. S. Smith 3483-8.

Regional government

Bain 3464.

Regional municipality, Ottawa- Carleton

Cassidy 688-96; Farrow 698; Rhodes 689-
98; Williams 697-700; Wronski 690-6, 701.

Rehabilitation, offenders

Hug 491-3; Lupusella 608; Singer 491-3;
Stong 586.

Rent/control

Cassidy 1157; Hall 657, 1225-6;
Handleman 667; Rhodes 460-1, 657-9,
1134-5, 1225-6, 1302-3; Riddell 1302-3;
Riggs 1225-6; Shore 659, 1303; Sweeney
658; Warner 1303-4.

Rent review officers

M. Campbell 1437-9; Good 1439-42; Hall
1224-5; Handleman 666, 735-6, 1403-12,
1417-9, 1429-32, 1434, 1436, 1438, 1440-1;
Moffatt 1426-35; Rhodes 1225-6; Riggs
1224-5; Robbins 1403, 1405, 1408, 1417,
1423; Sandeman 1402-4; Shore 1404-12,
1418, 1423.

Rent supplements/subsidies

M. Campbell 405, 459; Cassidy 234-5,
653-4, 1282-3; Hall 1228-9; McClellan 30;
Meen 30; Rhodes 188, 405, 462-3, 653-4,
1229, 1239-40, 1282-3; Riggs 1229;
Williams 1239.

Reports, Ombudsman

Maloney 2117-8, 2121, 2138; Renwick
2119; Singer 2117-8, 2121.

Research, agricultural

R. G. Bennett 2051; Eaton 2049;
MacDonald 2049; McKessock 2047, 2049;
G. I. Miller 2052; W. Newman 1783,
2047-53; Rennie 2047-52; Riddell 1876,
2047; Sewell 2057; Wildman 2048-51.

Research, correctional services

Breaugh 224-5; Hug 221-2, 226-8, 491-3;
Sandeman 222, 226; J. R. Smith 225;
G. R. Thompson 225-6.

Research, energy/needs

Gigantes 3238; Makarchuk 3323; Timbrell
3323.

Research Foundation

C. Bennett 3336, 3430; Fleck 3430;
B. Newman 3429-30.

Research, housing

Cassidy 647-50; Rhodes 410-1, 647-8.

Research, industrial

Angus 3340.

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Research, labour

Mackenzie 2842-5; McClellan 2943;
Skolnik 2844-5.

Research, legislative

Breithaupt 393-4; Deans 382-4; Gregory
392-4; Morrow 393-4.

Research, noise

Makarchuk 110-1; Snow 110-1.

Research, pollution/control

Cassidy 1015-6; Cunningham 3592; Fitch
3592; Haggerty 3590-1; Kerr 3590; Ronan
3590.

Reservoirs, oil/gas

Haggerty 2659; Hurd 2659.

Reservoirs, water

Bernier 2461; Forster 1030, 1103; Frame
3272; Gaunt 3272-3; Godfrey 1029-30,
1103, 2472-7; A. C. Johnson 3272-3;
J. Johnson 2461; Makarchuk 2461, 3650;
G. I. Miller 3278-9; Reed 3273, 3284-7;
Rhodes 1029; Timbrell 3278-9, 3285-7.

Resources Development policy

Bain 3461-6; Haggerty 3466-8; Irvine
3456-61.

Restitution by guilty

Callaghan 2404; A. G. Campbell 2403-4;
McMurtry 2404; Roy 2403-4.

Retirement

Bain 1529; Clifford 1529-31; R. S. Smith
1529-33.

Retraining

Sandeman 591.

Review boards, property assessment

Hilton 2977-8; Lawlor 2977-8; Singer
2977.

Review boards, rental

Bounsall 1443-4; Bruce 1418-20;
M. Campbell 1439; Downey 1409;
Handleman 666, 673, 791-2, 1174, 1403-
12, 1418-30, 1434; E. H. Johnston 1422-4;
McDonald 1302; Moffatt 668-70, 790-2,
1425-35; Renwick 791-2, 1174; Rhodes
1302-3; Riddell 1302-3; Robbins 1403,
1405, 1419-25; Sandeman 1402-4; Shore
659-60, 1302, 1405-12, 1418-25; J. K.
Young 1419-20, 1424.

Road allowances

Bernier 2387-8; Laughren 2387-8; McGinn
2386-7; Stokes 2388-9; Williams 2385-8.

Road signs/traffic lights

C. Bennett 3437-8; Boyer 3439; Kerrio
3445; Mancini 1729-32; B. Newman 1731;
O'Neil 3437-8; Ruston 1375; Snow 1375,
1720, 1730-2; Wildman 1720.

Roads, county/township

Philip 111; Snow 111-2.

Roads, municipal/regional

G. I. Miller 1465, 1743-4; Snow 1465,
1743-4.

Roads, resources

Bernier 2188, 2370-4; Wildman 2370-1;
Williams 2373.

Rural sprawl

Cunningham 449; Laughren 465; Rhodes
449.

Safety, air

Snow 1370.

Safety fences

Philip 415-6; Rhodes 416.

Safety hazards

Bryden 1066; Handleman 1066, 1172;
H. T. Jones 1066; Mancini 3004;
Stephenson 3004; Yoneyama 1173.

Safety, highway

Allen 106; Gilbert 107; Martel 107.

Safety, mine

Bernier 2643-4; Germa 2836-7; Haggerty
2649-50; Laughren 2638-9; Stephenson
2751.

Safety, motor vehicle

G. I. Miller 1725; Philip 1348-9; Snow
1356, 1725.

Safety, occupational

Bounsall 2759; Cleverdon 2966-7; Davison
3010-2; di Santo 2966, 2991-6; Hushion
2992-6; J. Johnson 3006-7; Laughren
2959-61; Lupusella 3016-7; Mackenzie
2840-1; Mancini 2998-3005; McClellan
3015-6; B. Newman 3018-9; Stephenson
2751-2, 2837-8, 2842, 2966, 2991-3001;
Wildman 3012-4.

Safety, pipeline

Bryden 1066-7; Handleman 1066; H. T.
Jones 1066-7; Moffatt 1067.

Salesmen, door-to-door

Jamieson 1041; Reed 1041.

Sand/gravel

Bernier 2187, 2677-8; Gaunt 2677-8.

Schools, agriculture

R. G. Bennett 2045; McKessock 2045;
W. Newman 1783, 2045-7; Rennie 2046-7.

Schools, French language

Brunelle 771; R. S. Smith 771.

Scrolls

Drea 1212; Mancini 1213; Swart 1212.

Securities commission/regulations

Handleman 740-6; Pattillo 741-3, 746-7;
Reed 740; Renwick 746-8; Roy 744.

Security guards/agencies

Breaugh 1907-11; Erskine 1907-11;
Kennedy 1910-1; MacBeth 1907-11; Singer
1909.

Security passes, government

Davison 535-7; Drea 536-7; Scrivener
535-7; Silver 535-6.

Sentencing, community service

Stong 585-6.

Septic/holding tanks

Bain 90; Kerr 89, 3594; Lane 851;
Mancini 3593-6; McTavish 3595; Rhodes
1015; Santo 851; Williams 1017.

Severance pay

Bounsall 2761-2, 3023-4.

Sewage disposal

Bain 3538-40, 3653, 3656-9; Cockburn
3636; Cunningham 3634; Irvine 3478;
Kerr 3497, 3538-40, 3576, 3579-80, 3594,
3622, 3634-5, 3647; Laughren 467;
Mancini 3593-6; McCague 3647;
McKessock 3489; McTavish 3595; Reed
3575-6, 3579-80; Wildman 3622.

Sewage treatment

Angus 1016; Bain 91-2, 3656-9; Barr
3648; Cassidy 694-5; Cunningham 461,
3637-8; Hall 247-8; Kerr 89, 92-6, 3637-8,
3647-52, 3656-9; Kerrio 1018-9;
Macfarlane 3638, 3649-50; Makarchuk
94-6, 3648-53; McCague 3647-8;
Mierzynski 93, 3651, 3658-9; Rhodes 248,
461, 694-5, 1015-6; Sharpe 3657-9;
Williams 1017; Wronski 695.

Sewerage

Bain 90-2; Barr 3634; Cassidy 693-4;
Crosbie 837; Cunningham 3634-5; Gaunt
86-7; Gigantes 837-8; Godfrey 84-6; Hall
247-8, 253-4; Kerr 83-4, 88-96, 3634-5,

3645-6, 3673-4; Makarchuk 94, 253;
McCague 3645-6; McKessock 3673-4;
Rhodes 253, 693-4, 833-4, 838, 838;
Williams 833.

Shelter/fuel allowance

Cassidy 653-5; Rhodes 653-5.

Ship passenger service

Clifford 1549-50; Lane 1549-50; Reid
1549; R. S. Smith 1549.

Shoplifting

Sinclair 3070.

Silicosis

Stephenson 3015; Wildman 3015.

Smokestacks/chimneys

Fry 3621; Wildman 3621.

Souvenirs/gifts

Borosa 1209; Mancini 1213; B. Newman
1209; Swart 1212-3.

Spadina extension

Grande 1742-4; Reid 34; Snow 35;
Williams 1744-5.

Speed limits

Breaugh 2178-9; Erskine 2178-9; Gartner
2160, 2179; Gregory 2159-60; Kennedy
2179; MacBeth 2159-60; Singer 2160.

Sports/athletics

Angus 3691; C. Bennett 3447, 3691-7;
McMurtry 2784-6; Sargent 2783-6; Stong
2785.

Sports facilities

Angus 3688-97; C. Bennett 3688-97; Eakins
3696-7; Joyce 3722; Riddell 3722-3;
Rodgers 3694-7.

Stadiums/arenas

Cunningham 572-3, 1396; Gaunt 3007;
Handleman 1396-7; Scrivener 572-3;
Stephenson 2752, 3007.

Stock brokers/dealers

Handleman 860-1; Moffatt 860-1; M. A.
Thompson 860-1.

Stock exchanges

Pattillo 746-7; Renwick 746-7; Roy 748.

Stockyards

Snow 1619-20; Ziemba 1619-20.

Strikes/lockouts

Armstrong 2879; Bounsall 2873-4;
Bullbrook 2764; Mackenzie 2880-2;

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Mancini 2885; Pathe 2880-1; Stephenson 2879.

Students/graduates, agricultural

McKessock 2045; G. I. Miller 2046;
W. Newman 2045-6; Rennie 2045-6;
Riddell 2045.

Students/graduates, law

MacBeth 3217-8; Maloney 1485-6;
McLoughlin 2609; Sargent 3217-8.

Students/graduates, university

C. Bennett 3335.

Subsidiaries

Angus 3374-5; C. Bennett 3374-5.

Subsidies, farm

Lane 1944-5; MacDonald 1936, 1945;
W. Newman 1935-7; Riddell 61; Wildman 1935-7.

Subsidies, mortgage

Hall 451; McDonald 451.

Subsidies, political candidates

Bryden 307-8; Wishart 307-8.

Subsidies, public transit

Bryden 1607-10; Sargent 1617; Snow 1608, 1617.

Subsidies, railway

Sargent 1617; Snow 1617.

Subsidies, road

Bryden 1609-10; Snow 1609-10, 1743-4.

Suburbanization

Bain 414; J. Johnson 414-5; Rhodes 414-5.

Subversive groups

DuGuid 2103-4; Lawlor 2103-4 (Chairman).

Subways

K. Foley 1691-2.

Suicides

Breagh 1847; M. Campbell 268-9;
Cotnam 1847, 1850, 1896-9; Hughes 588-9; Hutchison 269; Sandeman 1895-7;
Stong 585, 588.

Sulphur dioxide

Fry 3621; Shenfeld 3631; Wildman 3621.

Sunday/holiday observance

Bullbrook 1708; Gregory 1710; Kennedy 1710-2; MacBeth 1703-12; B. Newman

1706; Norton 1708-9; Peterson 1711; Roy 1703-6, 1711; Singer 1709-10.

Supermarkets/chain stores

Handleman 723-35; MacDonald 722-6, 1784-6, 2029-32; W. Newman 1802, 2031-3, 2038-9; Wildman 2038-9.

Surveys, geological

Pye 2655-6; Reynolds 2658.

Surveys, road

Code 2381-2; Wildman 2381-2.

Swimming pools

Lawlor 2699-700 (Chairman); McMurtry 2699-700.

Syncrude Canada Ltd.

Button 3313; Gigantes 3236-7, 3243-4;
Lamb 3248; Timbrell 3238-9, 3243-4, 3247; Williams 3247.

Tabled documents

OHC 1134-5, 1219-20; Oil development/pricing statements 3237.

Tar sands

Button 3313; Gigantes 3243; Timbrell 3241, 3243-4.

Tariffs/duties

C. Bennett 3358, 3420; Garland 3421; Haggerty 3467; W. Newman 1783; Samis 3421.

Task force, criminal justice

Breagh 283-5; M. Campbell 285; Hutchison 284-5.

Task force, policing

MacBeth 1631, 1656; Russell 1665; Singer 1641.

Task force, timber revenue

Bernier 2184, 2243.

Tax credits/rebates

Bounsall 317-9; Bryden 321; M. Campbell 316-7; B. Newman 315-6; Roy 314-5; Ruston 1193; Scrivener 1193; Wishart 314-7.

Tax, farm

MacDonald 1940-2; W. Newman 1940-2, 1998; Riddell 61-2, 1998.

Tax, land speculation

Crosbie 700; Williams 700.

Tax, land transfer

C. Bennett 3366, 3401-2; T. J. Dillon 1336;
Kerrio 3401-2; Lawlor 1336-7 (Chairman).

Tax, production equipment

C. Bennett 3393; Fleck 3393-4; Williams
3393.

Tax relief, farmers

MacDonald 1865; W. Newman 72-4, 1865;
F. Young 72-4.

Tax, sales

Handleman 673-4; Reed 671.

Teachers' superannuation fund

Bentley 793; Sweeney 793.

Teachers, training-school

Breaugh 425; G. H. Carter 430-1; Mackey
425, 594-5; Moffatt 422-3; Sandeman
591-2, 595; Schaefer 423-4; J. R. Smith
422-3; Stong 217-8, 430-1.

Technology

C. Bennett 3394; W. Newman 1802-3;
Williams 3394.

Telecopiers

Angus 1197-8; Scrivener 1198; Towers
1197.

Telephone service

Angus 1195-8; Breithaupt 336-8; Bryden
1097-8; Bullbrook 123; Davison 1194;
Deans 124, 336-42; Drea 336-42, 1198-
201; Fleming 123, 125; Mancini 124;
McCague 338-9; Miggiani 124; Morrow
331-2, 336, 338; Riddell 337; Russell
1665-6; Scrivener 1097-8, 1194-8; Swart
1198.

Temporary absence programme

Breaugh 225; Hug 222.

Tenants' associations/groups

Cassidy 819-20, 1135-6, 1145-52, 1248-51;
Rhodes 1133-4, 1246-50.

Tenants' associations/groups

Riggs 819-20; Williams 1244-8.

Tenants, OHC

M. Campbell 1235; Cassidy 232-5, 243,
1135-6, 1143-58, 1281-2; Crosbie 1222-3;
Hall 1222-9; Rhodes 243, 1132-4, 1220-3,
1229-53, 1281; Riggs 1228-9; Williams
1238-48.

Tendering

Davison 985-6; Thatcher 985-6.

Tendering, construction

Drea 576-7; Thatcher 576.

Tendering, government services

Davison 990-1; Scrivener 523-4, 526-7,
990-1; Shore 523-5; Silver 527; Thatcher
524-5, 547, 990-1.

Tendering, OHC

Cassidy 1282; Kerrio 1161-2; Rhodes
1282; Riggs 1282.

Termites

Gaunt 3568-9; Kerr 3568-9; Williams
3569; D. Wilson 3569.

Textile industry

C. Bennett 3385, 3419-22; Garland 3421;
Haggerty 3385.

Third world

C. Bennett 3381, 3419-21; Laughren 2629;
MacDonald 1855-6; B. Newman 3381;
W. Newman 1855-6.

Timbertown

C. Bennett 3442; R. S. Smith 3442.

Tips/gratuities

C. Bennett 3436-7, 3439-40; di Santo
2810-1; Mackenzie 3439; Stephenson
2810-1.

Tolls

Gilbert 1377; Snow 1377-8; Williams
1377-8.

Toronto Transit Commission

Bryden 1607-8; G. H. Johnston 1607-8;
Snow 1607-8.

Tourist attractions

C. Bennett 3426; Boyer 3442-3; Samis
3435-6; Sargent 1596-70; R. S. Smith
3442-3; Snow 1596-7; Wildman 1596.

Tourist industry

C. Bennett 3333-4, 3369, 3433-47; Boyer
3435, 3439-41; Eakins 3348-50, 3434-5;
Kerrio 445-7; Mackenzie 3440; Wildman
3432-4.

Tourist information/reception centres

C. Bennett 3334; N. R. Radford 3386.

Townsend project

Cassidy 681, 685; Dunne 846, 848;
Haggerty 847; Hall 682; Hodgson 1870-1;
Makarchuk 681-4, 845-8; W. Newman
1872; Nixon 1870-2; Rhodes 681-2, 847;
Snell 681, 683; Wronski 682, 684.

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Townsites, new

Cassidy 685; Makarchuk 685-6, 847;
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